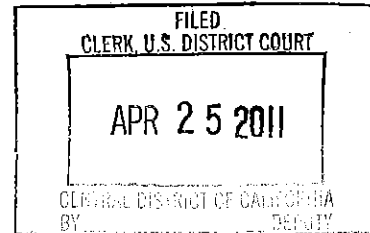


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11 **UNITED STATES DISTRICT COURT**
12 **CENTRAL DISTRICT OF CALIFORNIA**

13 **CV 11-03537** (FMO) (FMO)

14 WEI KUANG YEN, Individually and on
15 Behalf of All Others Similarly Situated,

16 Plaintiff,

17 v.

18 UNIVERSAL TRAVEL GROUP,
19 JIANGPING JIANG, YIZHAO ZHANG,
20 and JING XIE,

21 Defendants.

22) CLASS ACTION

23) **COMPLAINT FOR**
24) **VIOLATIONS OF THE**
25) **FEDERAL SECURITIES LAWS**

26) DEMAND FOR JURY TRIAL

1 Plaintiff Wei Kuang Yen, by and through her attorneys, alleges the following
2 upon information and belief, except as to those allegations concerning Plaintiff, which
3 are alleged upon personal knowledge. Plaintiff's information and belief is based upon,
4 among other things, her counsel's investigation, which includes without limitation:
5 (a) review and analysis of regulatory filings made by UNIVERSAL TRAVEL
6 GROUP ("UTG" or the "Company"), with the United States Securities and Exchange
7 Commission ("SEC"); (b) review and analysis of press releases and media reports
8 issued by and disseminated by UTG; and (c) review of other publicly available
9 information concerning UTG.
10
11
12

13 **NATURE OF THE ACTION AND OVERVIEW**

14
15 1. This is a federal class action on behalf of purchasers of UTG's securities
16 between January 19, 2010 and April 12, 2011, inclusive (the "Class Period"), seeking
17 to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act").
18

19 2. UTG is a China-based travel services provider, focusing on the domestic
20 tourism market for leisure and corporate travel and offering packaged tours, air
21 ticketing, and hotel reservation services. Throughout 2010, the Company made a
22 number of acquisitions, including travel agencies and travel services companies.
23

24 3. On March 8, 2011, a research report was published on the Internet that
25 questioned UTG's financial statements, business model, and the valuation of certain
26 recent acquisitions. Specifically, the report alleged that the net income and revenue
27
28

1 of certain companies UTG had acquired in 2010, were far less than UTG had
2 represented in its public filings.
3

4 4. On this news, shares of UTG declined \$0.47 per share, or 7.6%, to close
5 on March 9, 2011, at \$5.71 per share, on unusually heavy volume.
6

7 5. On March 29, 2011, UTG unexpectedly announced that it was
8 indefinitely postponing a previously announced conference call to discuss its financial
9 results for the 2010 fiscal year that had been scheduled for the morning of March 30,
10 2011. The Company claimed that the "postponement was not due to any accounting
11 irregularities and [would] allow the Company and its independent auditors to complete
12 their work on the financial statements and audit." Nevertheless, the unexpected
13 announcement was concerning given that just two weeks prior, on March 15, 2011,
14 the Company had announced that it was scheduling the conference call for March 30,
15 2011.
16
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18

19 6. On this news, shares of UTG declined \$1.06 per share, more than 19%,
20 to close on March 30, 2011, at \$4.33 per share, on unusually heavy volume. 7
21

22 Thereafter, on or around April 11, 2011, trading in UTG's common stock was
23 unexpectedly halted on the New York Stock Exchange ("NYSE").
24

25 8. On April 14, 2011, the Company disclosed that on April 10, 2011, UTG
26 received notification that its principal independent accountants, Windes &
27 McClaughry Accountancy Corporation ("Windes"), had resigned its engagement with
28

1 the Company effective April 9, 2011. According to UTG, Windes had provided the
2 Company with a letter of resignation informing UTG that Windes was no longer able
3 to complete the audit process, which was due in part to the Company's management
4 and/or the Audit Committee being non-responsive, unwilling or reluctant to proceed
5 in good faith and imposing scope limitations on Windes' audit procedures. Moreover,
6 the Company disclosed that Windes had also stated that it had lost confidence in the
7 Board of Director's and the Audit Committee's commitment to sound corporate
8 governance and reliable financial reporting. In particular, UTG indicated that prior
9 to Windes' resignation, Windes had raised issues it encountered during the audit,
10 including: issues related to the authenticity of confirmations; a loss of confidence in
11 confirmation procedures carried out under circumstances that Windes believed to be
12 suspicious; and issues concerning the lack of evidence of certain tour package
13 contracts and related cash payments.
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19 9. Throughout the Class Period, Defendants made false and/or misleading
20 statements, as well as failed to disclose material adverse facts about the Company's
21 business, operations, and prospects. Specifically, Defendants made false and/or
22 misleading statements and/or failed to disclose: (1) that the pre-acquisition net income
23 and revenue of certain companies UTG acquired was less than UTG represented; (2)
24 that there was a lack of evidence supporting certain tour package contracts and related
25 cash payments; (3) that, as a result, the Company's financial statements were
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1 misstated; (4) that the Company lacked adequate internal and financial controls; and
2 (5) that, as a result of the foregoing, the Company's statements were materially false
3 and misleading at all relevant times.
4

5 10. As a result of Defendants' wrongful acts and omissions, and the
6 precipitous decline in the market value of the Company's securities, Plaintiff and other
7 Class members have suffered significant losses and damages.
8

9 **JURISDICTION AND VENUE**
10

11 11. The claims asserted herein arise under Sections 10(b) and 20(a) of the
12 Exchange Act (15 U.S.C. §§78j(b) and 78t(a)) and Rule 10b-5 promulgated
13 thereunder by the SEC (17 C.F.R. § 240.10b-5).
14

15 12. This Court has jurisdiction over the subject matter of this action pursuant
16 to 28 U.S.C. §1331 and Section 27 of the Exchange Act (15 U.S.C. §78aa).
17

18 13. Venue is proper in this Judicial District pursuant to 28 U.S.C. §1391(b)
19 and Section 27 of the Exchange Act (15 U.S.C. §78aa(c)). Substantial acts in
20 furtherance of the alleged fraud or the effects of the fraud have occurred in this
21 Judicial District.
22

23 14. In connection with the acts, transactions, and conduct alleged herein,
24 Defendants directly and indirectly used the means and instrumentalities of interstate
25 commerce, including the United States mail, interstate telephone communications, and
26 the facilities of a national securities exchange.
27

PARTIES

15. Plaintiff Wei Kuang Yen, as set forth in the accompanying certification, incorporated by reference herein, purchased UTG common stock during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

16. Defendant UTG is a Nevada corporation with its principal executive offices located at 5th Floor, South Block, Building 11, Shenzhen Software Park, Zhongke 2nd Road, Nanshan District, Shenzhen, PRC 518000.

17. Defendant Jiangping Jiang ("Jiang") was, at all relevant times, Chief Executive Officer ("CEO") and Chairwoman of UTG.

18. Defendant Yizhao Zhang ("Zhang") was, at all relevant times, Chief Financial Officer ("CFO") of UTG until his resignation on or around August 16, 2010.

19. Defendant Jing Xie ("Xie") was, at all relevant times, a Director and Secretary of UTG and was, at all relevant times, CFO of UTG since August 17, 2010.

20. Defendants Jiang, Zhang, and Xie, are collectively referred to hereinafter as the "Individual Defendants." Defendants UTG, Kim, and Ko are collectively referred to herein as "Defendants." The Individual Defendants, because of their positions with the Company, possessed the power and authority to control the contents of UTG's reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, *i.e.*, the market. Each

1 defendant was provided with copies of the Company's reports and press releases
2 alleged herein to be misleading prior to, or shortly after, their issuance and had the
3 ability and opportunity to prevent their issuance or cause them to be corrected.
4 Because of their positions and access to material non-public information available to
5 them, each of these defendants knew that the adverse facts specified herein had not
6 been disclosed to, and were being concealed from, the public, and that the positive
7 representations which were being made were then materially false and/or misleading.
8 The Individual Defendants are liable for the false statements pleaded herein, as those
9 statements were each "group-published" information, the result of the collective
10 actions of the Individual Defendants.
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15 21. Non-party Windes was, at all relevant times, UTG's independent public
16 accountant from September 30, 2010, until its resignation on or around April 10,
17 2011. Windes is an accounting firm that offers a full range of services, including:
18 audit and assurance, cost segregation, employee benefits, estate and trust planning,
19 human resources recruiting and consulting, and tax planning, consulting, and
20 compliance. Windes focuses on both publicly traded and privately held businesses,
21 exempt organizations, and high-net-worth individuals. Windes is based in Southern
22 California and maintains four offices located in Long Beach, Irvine, Torrance, and Los
23 Angeles.
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SUBSTANTIVE ALLEGATIONS

Background

22. UTG is a China-based travel services provider, focusing on the domestic tourism market for leisure and corporate travel and offering packaged tours, air ticketing, and hotel reservation services. Throughout 2010, the Company made a number of acquisitions, including travel agencies and travel services companies.

Materially False and Misleading Statements Issued During the Class Period

23. The Class Period begins on January 19, 2010. On this day, the Company issued a press release entitled, "Universal Travel Group Announces Acquisition of Hebei Tianyuan Travel Agency." Therein, the Company, in relevant part, stated:

SHENZHEN, China, Jan. 19 /PRNewswire-Asia-FirstCall/ -- Universal Travel Group (NYSE: UTA) ("Universal Travel Group" or the "Company"), a leading travel services provider in China, today announced that it has entered into a Letter of Intent to acquire Hebei Tianyuan Travel Agency ("Tianyuan") for RMB 29 million (approximately \$4.2 million), 80% of which shall be paid in cash and 20% of the consideration in shares of the Company's common stock. The purchase consideration may be subject to adjustment after the completion of acquisition audit on Tianyuan by the Company.

Founded in 1999, Tianyuan was the first authorized travel agency in the Hebei Province in China. In addition, Tianyuan is the exclusive provider of travel agency services to Mount Lu (Lushan National Park), a domestic tourist attraction listed on the UNESCO World Heritage Site. Tianyuan was the organizer of the International Economy & Culture Communication Forum sponsored by the local government and the exclusive organizer of the Young Journalist Summer Camp sponsored by the Yanzhao Evening Paper. The Company believes that Tianyuan's

1 exclusive service with these regional sites and unique partnership with
2 the government provide Tianyuan with an advantage to be a market
3 leader in travel services in the region. Unaudited full year 2009 revenues
4 and net income for Tianyuan are approximately \$7.2 million and \$0.7
million, respectively.

5 "This acquisition represents a further step in our expansion strategy of
6 increasing our geographic coverage over the most popular national
7 tourist destinations in China such as Mount Lu," said Ms. Jiangping
8 Jiang, Chairwoman and Chief Executive Officer. "We look forward to
9 leveraging our experience in providing high quality, comprehensive
10 travel services with Tianyuan's unique regional tourism resources and we
11 are confident that this acquisition will strengthen Universal Travel
Group's domestic market presence and increase the Company's
profitability in 2010."

12 24. On January 26, 2010, the Company issued a press release entitled,
13 "Universal Travel Group Announces Acquisition of Zhengzhou Yulongkang Travel
14 Service Company." Therein, the Company, in relevant part, stated:
15

16 SHENZHEN, China, Jan. 26 /PRNewswire-Asia-FirstCall/ -- Universal
17 Travel Group (NYSE: UTA) ("Universal Travel Group" or the
18 "Company"), a leading travel services provider in China offering
19 package tours, air ticketing, and hotel reservation services via the
20 Internet and customer service representatives, announced today that it
21 has entered into a Letter of Intent to acquire Zhengzhou Yulongkang
22 Travel Service Company ("Zhengzhou Yulongkang") for RMB 39
23 million (approximately \$5.7 million), 90% of which to be paid in cash
24 and 10% of the purchase consideration in shares of the Company's
common stock. The purchase consideration may be subject to adjustment
after the completion of acquisition audit on Zhengzhou Yulongkang by
the Company.

25 Zhengzhou Yulongkang was founded in 2000 in Zhengzhou, Henan
26 Province. Zhengzhou Yulongkang has a team of experienced and
27 knowledgeable tour guides that take tourists on more than ten proprietary
regional routes and hundreds of points of interest. Zhengzhou

1 Yulongkang is a one-stop shop, providing comprehensive travel services
 2 and maintaining long-term cooperation with transportation agents, travel
 3 destinations, hotels, and air ticket agencies. In addition, Zhengzhou
 4 Yulongkang has developed outdoor team building programs in 2004
 5 based on its chosen travel destination, Wengcheng Waterfall. Unaudited
 6 2009 revenue and net income will be about \$10.5 million and \$0.86
 7 million, respectively.

8 "Our recent acquisitions of travel service providers of national tourist
 9 destinations demonstrate our commitment to expand into domestic travel
 10 markets and raise awareness of our Company and the services we
 11 provide in these targetted regions. Zhengzhou Yulongkang's addition
 12 will further enhance Universal Travel Group's core business segments
 13 and complement our packaged tour business," said Ms. Jiangping Jiang,
 14 Chairwoman and Chief Executive Officer. "Through these acquisitions,
 15 we will strengthen our product portfolio, geographic coverage and brand
 16 awareness to build a larger network of customers. We believe we are
 17 strategically positioned to be in the forefront of the rising China travel
 18 market."

19 25. On March 5, 2010, the Company issued a press release entitled,
 20 "Universal Travel Group Announces Fourth Quarter and Full Year 2009 Results."

21 Therein, the Company, in relevant part, stated:

22 SHENZHEN, China, March 5 /PRNewswire-Asia-FirstCall/ -- Universal
 23 Travel Group (NYSE:UTA) ("Universal Travel Group" or the
 24 "Company"), a growing travel services provider in China offering
 25 package tours, air ticketing, and hotel reservation services online and via
 26 customer service representatives, today announced financial results for
 27 the fourth quarter and full year ended December 31, 2009.

28 Fourth Quarter 2009 Highlights

- Revenue increased 16.1% year-over-year to \$34.2 million
- Gross profit increased 1.3% year-over-year to \$10.1 million
- Gross margin was 29.5%, compared to 33.8% in the prior year period
- Income from operations was \$7.5 million, compared to \$8.2

1 million in the prior year period

- 2 -- Adjusted income from operations, which excludes the effect of
3 non-cash charges related to stock-based compensation of \$0.4
4 million, was \$7.9 million, compared to \$8.2 million in the prior
5 year period(*)
6 -- GAAP net income from continuing operations was \$5.2 million or
7 \$0.32 per diluted share, compared to \$6.3 million or \$0.44 per
8 diluted share in the prior year period
9 -- Adjusted net income from continuing operations, which excludes
10 the effect of non-cash charges related to the change in fair value
11 of derivative liabilities of \$0.3 million and stock-based
12 compensation of \$0.4 million, was \$5.9 million, or \$0.36 per
13 diluted share, compared to \$6.4 million, or \$0.44 per diluted
14 share, in the prior year period(*)

15 Full Year 2009 Highlights

- 16 -- Revenue increased 48.7% year-over-year to \$97.9 million
17 -- Gross profit increased 43.8% year-over-year to \$32.4 million
18 -- Gross margin was 33.1%, compared to 34.2% last year
19 -- GAAP income from operations increased 34.9% year-over-year
20 to \$24.2 million
21 -- Adjusted income from operations, which excludes the effect of
22 non-cash charges related to stock-based compensation of \$1.2
23 million, increased 39.7% year-over-year to \$25.3 million(*)
24 -- GAAP net income from continuing operations was \$11.3 million
25 or \$0.74 per diluted share, compared to \$13.8 million or \$1.07 per
26 diluted share last year
27 -- Adjusted net income from continuing operations, which excludes
28 the effect of non-cash charges related to the change in fair value
of derivative liabilities of \$6.8 million and stock-based
compensation of \$1.2 million, was \$19.3 million, or \$1.26 per
diluted share, an increase of 38.1% compared to \$14.0 million, or
\$1.09 per diluted share last year(*)

"Our fourth quarter and full year results reflect strong organic revenue growth," said Ms. Jiangping Jiang, Chairwoman and Chief Executive Officer. "The greatest impact to our financial performance is from the growth of our business volume, since the average prices of our travel products and commission rates were stable, and some of them even

1 decreased slightly during 2009. Our revenue growth reflects the
2 continued development of the domestic tourism market in China and the
3 strength of our operating platform. Universal Travel has a strong product
4 portfolio, broad geographic coverage and a brand awareness that enable
5 us to continue to expand our network of customers and remain at the
6 forefront of the growing China travel market."

7 Fourth Quarter 2009 Financial Results

8 Revenue for the three months ended December 31, 2009, was \$34.2
9 million compared to \$29.4 million for the same period in 2008, an
10 increase of approximately 16.1%. Revenue generated by the air cargo
11 agency segment for the three months ended December 31, 2008 was \$5.1
12 million. Excluding this segment, revenue generated from the current
13 three segments was \$24.4 million, a year- over-year increase of 40.3%.
14 This increase in revenue was primarily due to the successful integration
15 and cross selling among the Company's three business segments, which
16 increased the Company's competitive position in the marketplace.

17 Revenue from air-ticketing was \$6.6 million, compared to \$5.1 million
18 for the same period last year, an increase of 29.6%. This increase was
19 mainly due to the increased demand for air passenger transportation.

20 Revenue generated by the Company's hotel reservation segment was \$4.0
21 million compared to \$3.8 million for the same period in 2008, an
22 increase of 5.5%. This increase was due to the successful integration of
23 the various business segments of the Company.

24 Revenue generated by package tours was \$23.6 million compared to
25 \$18.2 million for the same period in 2008, an increase of 30.0%. This
26 increase was primarily due to the increase in tourism demand and
27 successful integration of the Company's various business segments and
28 marketing channels.

Gross profit was \$10.1 million compared to \$9.9 million for three
months ended December 31, 2008, an increase of 1.3%. Gross profit
margin for the fourth quarter of 2009 was 29.5% compared to 33.8% for
the same period last year. The decrease in gross profit margin was
primarily because the packaged tour business, which has a lower profit

1 margin due to the way revenues are recognized, constituted a higher
2 percentage of the Company's total revenues than during the prior year
3 period.

4 Selling, general and administrative ("SG&A") expenses totaled \$2.5
5 million compared to \$1.7 million for the same period last year, an
6 increase of 45.1%. The SG&A expenses were 7.4% of revenue for the
7 three months ended December 31, 2009, compared to 5.9% for the same
8 period last year. The increase in percentage was primarily due to higher
9 amortization expenses related to the Company's employee stock
incentive plan, higher marketing and rent expenses to support the
increased sales volume, and additional professional fees.

10 Income from operations was \$7.5 million compared to \$8.2 million in the
11 same period last year. The Company incurred non-cash charges related
12 to stock-based compensation of \$0.4 million in the fourth quarter of
13 2009 compared to \$0.1 million in the prior year period. Excluding these
14 non-cash charges, the Company's adjusted income from operations was
\$7.9 million for the fourth quarter of 2009, compared to \$8.2 million in
the prior year period. Adjusted operating margin was 23.1%(*).

15 Net income from continuing operations was \$5.2 million, or \$0.32 per
16 diluted share, compared to \$6.3 million, or \$0.44 per diluted share, for
17 the same period last year. Excluding the effect of non-cash charges
18 related to the change in fair value of derivative liabilities of \$0.3 million
19 and stock-based compensation of \$0.4 million, the Company's adjusted
20 net income from continuing operations was \$5.9 million, or \$0.36 per
21 diluted share, compared to \$6.4 million, or \$0.44 per diluted share, in the
22 fourth quarter of 2008(*).

23 Full Year 2009 Financial Results

24 Revenue for full year 2009 was \$97.9 million compared to \$65.8 million
25 in 2008, an increase of 48.7%. Revenue from air-ticketing was \$17.5
26 million compared to \$12.3 million last year, an increase of 42.0%.
27 Revenue generated by the hotel reservation segment was \$13.0 million
28 compared to \$8.3 million last year, an increase of 56.4%. Revenue
generated by package tours was \$67.3 million compared to \$45.1 million
last year, an increase of 49.1%.

1
2 Gross profit was \$32.4 million compared to \$22.5 million for full year
3 2008, an increase of 43.8%. Gross profit margin for the full year of 2009
4 was 33.1% compared to 34.2% last year.

5 SG&A expenses totaled \$8.2 million compared to \$4.6 million last year,
6 an increase of 78.7%. SG&A expenses were 8.4% of revenue compared
7 to 7.0% last year.

8 Income from operations increased 34.9% to \$24.2 million from \$17.9
9 million in the full year 2008. The Company incurred non-cash charges
10 related to stock-based compensation in the full year 2009 of \$1.2 million
11 compared to \$0.2 million last year.

12 Excluding these non-cash charge, the Company's adjusted income from
13 operations would be \$25.3 million for the full year 2009, an increase of
14 39.7% from last year. Adjusted operating margin was 25.8%(*).

15 Net income from continuing operations was \$11.3 million compared to
16 \$13.8 million last year. The Company incurred non-cash charges related
17 to the change in fair value of derivative liabilities of \$6.8 million and
18 stock-based compensation of \$1.2 million in the full year 2009.
19 Excluding these non-cash charges, adjusted net income from continuing
20 operations would be \$19.3 million, or \$1.26 per fully diluted share, an
21 increase of 38.1% from \$14.0 million, or \$1.09 per diluted share, in the
22 full year 2008(*).

23 Financial Condition

24 Cash and cash equivalents were \$36.7 million as of December 31, 2009.
25 Current assets and current liabilities as of December 31, 2009, were
26 \$70.5 million and \$6.3 million, respectively, yielding working capital of
27 \$64.2 million. The Company has no long-term debt. For the year ended
28 December 31, 2009, net cash provided by operating activities was \$11.5
million.

Recent Developments

-- In January 2010, the Company entered into a Letter of Intent to

1 acquire Zhengzhou Yulongkang Travel Service Company for
2 RMB 39 million (approximately \$5.7 million), 90% of which to
3 be paid in cash and 10% of the purchase consideration in shares
of the Company's common stock.

4 -- In January 2010, the Company entered into a Letter of Intent to
5 acquire Hebei Tianyuan Travel Agency for RMB 29 million
6 (approximately \$4.2 million), 80% of which shall be paid in cash
and 20% of the consideration in shares of the Company's common
stock.

7 -- In December 2009, the Company entered into a Letter of Intent to
8 acquire Huangshan Holiday Travel Service Company for RMB 20
9 million (approximately \$2.9 million), 80% of which shall be paid
in cash and 20% in shares of the Company's common stock.

10 -- In December 2009, the Company entered into definitive
11 subscription agreements to sell to institutional investors an
12 aggregate of 2,222,222 shares of its common stock at a price of
13 \$9.00 per share for gross proceeds of approximately \$20.0
14 million. The net proceeds of the financing are being used for
acquisitions and working capital. The sale of the common stock
closed on December 15, 2009.

15
16 * * *

17 Ms. Jiang commented, "We are optimistic about our business prospects.
18 The travel market in China continues to show robust growth. We expect
19 to see increasing sales and strong financial performance in 2010 as we
20 integrate our recently announced acquisitions and as our comprehensive
21 marketing initiatives continue to demonstrate positive results. In
22 addition, the TRIPEASY Kiosks, which have shown promising results
23 to date, will serve, together with our website and call center, to further
integrate our air ticket sales, hotel room sales, and packaged tours
businesses."

24 For the full year 2010, Universal Travel Group expects to achieve an
25 organic growth rate of approximately 20% for revenues and net income.

26 26. On March 5, 2010, UTG filed its Annual Report with the SEC on Form
27

1 10-K for the 2009 fiscal year. The Company's Form 10-K was signed Defendants
2 Jiang and Zhang, and contained the Company's financial results for the 2009 fiscal
3 year announced that day. The Company's Form 10-K also contained Sarbanes-Oxley
4 required certifications, signed by Defendants Jiang and Zhang, who certified:
5

- 6 1. I have reviewed this annual report on Form 10-K of Universal
7 Travel Group.
- 8 2. Based on my knowledge, this quarterly report does not contain
9 any untrue statement of a material fact or omit to state a material
10 fact necessary to make the statements made, in light of the
11 circumstances under which such statements were made, not
12 misleading with respect to the period covered by this annual
13 report;
- 14 3. Based on my knowledge, the financial statements, and other
15 financial information included in this quarterly report, fairly
16 present in all material respects the financial condition, results of
17 operations and cash flows of the registrant as of, and for, the
18 periods presented in this annual report;
- 19 4. The registrant's other certifying officer and I are responsible for
20 establishing and maintaining disclosure controls and procedures
21 (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for
22 the registrant and have:
 - 23 a) designed such disclosure controls and procedures, or
24 caused such disclosure controls and procedures to be
25 designed under our supervision, to ensure that material
26 information relating to the registrant, including its
27 consolidated subsidiaries, is made known to us by others
28 within those entities, particularly during the period in which
this quarterly report is being prepared; and
 - b) designed such internal controls over financial reporting, or
caused such internal controls over financial reporting to be

1 designed under our supervision, to provide reasonable
2 assurances regarding the reliability of financial reporting
3 and the preparation of financial statements for external
4 purposes in accordance with generally accepted accounting
principles; and

5 c) evaluated the effectiveness of the registrant's disclosure
6 controls and procedures and presented in this report our
7 conclusions about the effectiveness of the disclosure
8 controls and procedures, as of the end of the period covered
by this report based on such evaluation; and

9 d) disclosed in this report any change in the registrant's
10 internal controls over financial reporting that occurred
11 during the registrant's fiscal quarter ended September 30,
12 2009, that has materially affected or is reasonably likely to
13 materially affect the registrant's internal controls over
financial reporting.

14 5. The registrant's other certifying officer and I have disclosed,
15 based on our most recent evaluation of internal control over
16 financial reporting, to the registrant's auditors and the audit
17 committee of registrant's board of directors (or persons
performing the equivalent functions):

18 a) all significant deficiencies and material weakness in the
19 design or operation of internal controls over financial
20 reporting which are reasonably likely to adversely affect the
21 registrant's ability to record, process, summarize and report
financial data; and

22 b) any fraud, whether or not material, that involves
23 management or other employees who have a significant
24 role in the registrant's internal control over financial
25 reporting.

26 27. Additionally, the Company's Annual Report on Form 10-K filed with the
27 SEC on March 5, 2010, in relevant part, stated:

1 On January 19, 2010, we entered into a letter of intent to acquire Hebei
2 Tianyuan Travel Agency ("Tianyuan") for RMB 29 million
3 (approximately \$4.2 million), 80% of which shall be paid in cash and
4 20% of the consideration in shares of the Company's common stock. The
5 purchase consideration may be subject to adjustment after completion of
6 acquisition audit on Tianyuan by the Company. Founded in 1999,
7 Tianyuan was the first authorized travel agency in the Hebei Province in
8 China. In addition, Tianyuan is the exclusive provider of travel agency
9 services to Mount Lu and Lushan National Park, both domestic tourist
10 attractions listed on the UNESCO World Heritage Site. Tianyuan was the
11 organizer of the International Economy & Culture Communication
12 Forum sponsored by the local government and the exclusive organizer
13 of the Young Journalist Summer Camp sponsored by the Yanzhao
14 Evening Paper. We believe that Taiyuan's exclusive service with these
15 regional sites and unique partnership with the government provides
16 Tianyuan with an advantage to be a market leader in travel services in
17 the region.

18 * * *

19 On January 26, 2010, we entered into a letter of intent to acquire
20 Zhengzhou Yulongkang Travel Service Company ("Zhengzhou
21 Yulongkang") for RMB 39 million (approximately \$5.7 million), 90%
22 of which to be paid in cash and 10% of the purchase consideration in
23 shares of the Company's common stock. The purchase consideration
24 may be subject to adjustment after the completion of acquisition audit on
25 Zhengzhou Yulongkang by the Company. Zhengzhou Yulongkang
26 Travel Service Company was established in 2000 in Zhengzhou, Henan
27 Province of China. The company currently has a management team of 25
28 people and over 60 tour organizers and guides. The Company provides
comprehensive travel services and maintains long-term cooperation
relations with transportation agents, travel destinations, hotels, and air
ticket agencies. Its regional tour routes include "Charming Tibet",
"Winter Hot Spring", "Passion Ski Trip", etc. Zhengzhou Yulongkang
Travel Service Company has received a series of industry and corporate
awards from 2003 to 2006.

28. On March 31, 2010, the Company issued a press release entitled,

1 “Universal Travel Group Completes Previously Announced Acquisitions and Updates
2 Guidance.” Therein, the Company, in relevant part, stated:
3

4 SHENZHEN, China, March 31 /PRNewswire-Asia-FirstCall/ --
5 Universal Travel Group (NYSE:UTA) ("Universal Travel Group" or the
6 "Company"), a leading travel services provider in China, today
7 announced that the Company has completed the previously announced
8 acquisitions of Huangshan Holiday Travel Service Co., Ltd.
9 ("Huangshan Holiday"), Hebei Tianyuan International Travel Agency
Co., Ltd. ("Tianyuan"), and Zhengzhou Yulongkang Travel Agency Co.,
Ltd. ("Yulongkang").

10 The Company acquired Huangshan Holiday for RMB 20 million
11 (approximately \$2.9 million), of which 80% is in cash and 20% in stock;
12 Tianyuan for RMB 30 million (approximately \$4.4 million), of which
13 80% is in cash and 20% in stock; and Yulongkang for RMB 39 million
(approximately \$5.7 million), of which 90% is in cash and 10% in stock.

14 Huangshan Holiday provides comprehensive travel services in the
15 Huangshan District in the Anhui Province of China. Huangshan, a
16 national geological park and UNESCO World Heritage Site, is one of
17 China's most popular travel destinations, with over eight million tourists
18 annually. Huangshan Holiday provides guided and self-guided package
19 tours and airline and hotel reservation services for both leisure and
20 business travelers. Huangshan Holiday serves as the exclusive hotel
reservation agency for several major online travel service providers in
China and has an over 70% share of the mid- to high-end hotel
reservation market in the Huangshan Tourism District.

21 Tianyuan was founded in 1999 and was the first authorized travel agency
22 in the Hebei Province in China. In addition, Tianyuan is the exclusive
23 provider of travel agency services to Mount Lu and Lushan National
24 Park, a domestic tourist attraction listed on the UNESCO World Heritage
25 Site. Tianyuan's exclusive service with these regional sites and unique
26 partnership with the government provide Tianyuan with an advantage to
be a market leader in travel services in the region.

27 Yulongkang provides comprehensive travel services and maintains
28

1 long-term cooperation agreements with transportation agents, travel
2 destinations, hotels, and air ticket agencies. In addition, Zhengzhou
3 Yulongkang has developed outdoor team building programs based on its
4 main travel market which is the Wengcheng Waterfall.

5 "We are pleased to have completed our recently announced strategic
6 acquisitions," said Ms. Jiangping Jiang, Chairwoman and Chief
7 Executive Officer. "These acquisitions of travel service providers for
8 national tourist destinations in China demonstrate our commitment to
9 expanding into additional domestic travel markets and raise the
10 awareness of our Company and the services we provide in these targeted
11 regions. Through these acquisitions we are strengthening our product
12 portfolio, geographic coverage and brand awareness to build a larger
13 network of customers. Overall, we believe these acquisitions will help
14 us to strategically position Universal Travel Group to be in the forefront
15 of the growing China travel market."

16 The Company also announced that the financial results from these three
17 acquisitions will be included in the Company's quarterly report for the
18 three months ended March 31, 2010. In addition, as a result of the
19 synergy from these three acquisitions, for full year 2010, the Company
20 expects to achieve a growth rate range of between 45% and 55% in both
21 revenues and net income, excluding the effect of non-cash charges
22 related to the change in fair value of derivative liabilities and stock-based
23 compensation.

24 29. On May 4, 2010, the Company issued a press release entitled, "Universal
25 Travel Group Announces Intention to Acquire Four Travel Agencies for a Total
26 Purchase Consideration of \$19.5 Million." Therein, the Company, in relevant part,
27 stated:

28 SHENZHEN, China, May 4 /PRNewswire-Asia-FirstCall/ -- Universal
Travel Group (NYSE:UTA) ("Universal Travel Group" or the
"Company"), a leading travel services provider in China, today
announced that the Company has entered into letters of intent to acquire
four travel agency businesses in China -- Tianjin Hongxun Aviation
Agency Co., Ltd. ("Tianjin Hongxun"), Shanxi Jinyang Travel Agency

1 Co., Ltd. ("Shanxi Jinyang"), Kunming Business Travel Agency Co.,
2 Ltd. ("Kunming Business Travel"), and Shandong Century Aviation
3 Development Co., Ltd. ("Shandong Century") -- for a total purchase
4 consideration of \$19.5 million. The combined unaudited 2009 revenue
5 and net income for the four travel agencies were \$23.0 million and \$3.0
6 million, respectively. The final purchase consideration each of these
7 companies may be subject to adjustment after completion of due
8 diligence by the Company.

7 Shanxi Jinyang was founded in 1988 in Taiyuan, Shanxi Province and
8 is one of the largest travel agencies in Shanxi Province in terms of tourist
9 volume and revenues. Shanxi Jinyang provides comprehensive travel
10 services and has good business relationships with travel destinations,
11 hotels, and air ticketing agencies. Unaudited 2009 revenue and net
12 income were \$5.6 million and \$0.4 million, respectively. We plan to
13 acquire Shanxi Jinyang for \$2.3 million, 90% of which shall be paid in
14 cash and 10% in shares of the Company's common stock.

13 Tianjin Hongxun was founded in 1999 in Tianjin and is a leading airline
14 ticket agency in its region, with supplementary hotel, train and car
15 reservation service offerings. Tianjin Hongxun has a customer database
16 of approximately 400,000 that consists of both individual tourists and
17 businesses and has an average daily volume of 100,000 inbound calls
18 and over 2,000 tickets issued. Unaudited 2009 revenue and net income
19 were \$3.7 million and \$0.9 million, respectively. We plan to acquire
20 Tianjin Hongxun for \$5.9 million, 65% of which shall be paid in cash
21 and 35% in shares of the Company's common stock.

20 Kunming Business Travel was founded in 1993 in Kunming, Yunnan
21 Province and is the premier golf travel service agency in its region.
22 Kunming Business Travel has partnerships with seven golf clubs and
23 provides services, including reservations, event planning, hosting
24 business trips and golf competitions. Kunming Business Travel is the
25 only professional golf travel service provider in the Yunnan Province.
26 Unaudited 2009 revenue and net income were \$9.4 million and \$0.9
27 million, respectively. We plan to acquire Kunming Business Travel for
28 \$5.7 million, 90% of which shall be paid in cash and 10% in shares of
the Company's common stock.

Shandong Century, founded in 1996, has the largest electronic ticket

1 reservation platform and is the largest airline ticket agency in the
2 Shandong Province. Its major business lines include air ticketing, hotel
3 reservation, train ticketing, group tours, and business cargo services.
4 Shandong Century has a call center with 100 customer service
5 representatives and an average daily volume of 2,500 ticket reservations.
6 Unaudited 2009 revenue and net income were \$4.4 million and \$0.8
7 million, respectively. We plan to acquire Shandong Century for \$5.6
8 million, 65% of which shall be paid in cash and 35% in shares of the
9 Company's common stock.

10 "We are continuing to capitalize on the fast growing China travel market
11 through organic growth and strategic acquisitions," said Ms. Jiangping
12 Jiang, Chairwoman and Chief Executive Officer. "After the acquisition
13 of these four travel agencies, we will have expanded our geographic
14 coverage to ten provinces in mainland China and the variety of services
15 we offer our clients. We are confident these acquisitions, once complete,
16 will have a positive impact on our top and bottom line in 2010."

17 30. On May 10, 2010, UTG filed its Quarterly Report with the SEC on Form
18 10-Q for the 2010 fiscal first quarter. The Company's Form 10-Q was signed by
19 Defendants Jiang and Zhang, and contained the Company's financial results for the
20 2010 fiscal first quarter. The Company's Form 10-Q also contained Sarbanes-Oxley
21 required certifications, substantially similar to the certifications contained in ¶26,
22 *supra*. Therein, the Company, in relevant part, stated:

23 On March 4, 2010, the company announced that it has entered into letters
24 of intent to acquire four travel agency businesses in China – Tianjin
25 Hongxun Aviation Agency Co., Ltd. ("Tianjin Hongxun"), Shanxi
26 Jinyang Travel Agency Co., Ltd. ("Shanxi Jinyang"), Kunming
27 Business travel Agency Co., Ltd. ("Kunming Business Travel"), and
28 Shandong Century Aviation Development Co., Ltd. ("Shandong
Century") – for a total purchase consideration of \$19.5 million. The
combined unaudited 2009 revenue and net income for the four travel
agencies were \$23.0 million and \$3.0 million, respectively. The final
purchase consideration each of these companies may be subject to

1 adjustment after completion of the diligence by the Company.

2 * * *

3
4 Recently in May 2010, we also announced our intention of acquiring
5 four more travel agency businesses in the People's Republic of China –
6 Tianjin Hongxun Aviation Agency Co., Ltd. ("Tianjin Hongxun"), Shanxi
7 Jinyang Travel Agency Co., Ltd. ("Shanxi Jinyang"), Kunming Business
8 Travel Agency Co., Ltd. ("Kunming Business Travel"), and Shandong
9 Century Aviation Development Co., Ltd. ("Shandong Century"). We
10 believe that we are able to improve the sales volume and operation
efficiency of these new acquisitions, and on the other hand, they will also
help lift the sales volume and operation efficiency of our existing
subsidiaries.

11 31. On May 11, 2010, the Company issued a press release entitled,
12 "Universal Travel Group Announces First Quarter 2010 Results." Therein, the
13 Company, in relevant part, stated:
14

15 SHENZHEN, China, May 11 /PRNewswire-Asia-FirstCall/ -- Universal
16 Travel Group (NYSE:UTA) ("Universal Travel Group" or the
17 "Company"), a growing travel services provider in China offering
18 package tours, air ticketing, and hotel reservation services online and via
19 customer service representatives, today announced financial results for
the first quarter ended March 31, 2010.

20 First Quarter 2010 Highlights

- 21 -- Revenue increased 68.5% year-over-year to \$26.1 million
- 22 -- Excluding contribution of newly acquired businesses, revenue
increased 34.5% year-over-year
- 23 -- Gross profit increased 39.5% year-over-year to \$8.5 million
- 24 -- Gross margin was 32.5%, compared to 39.3% in the prior year
period
- 25 -- Income from operations was \$5.4 million, compared to \$4.2
million in the prior year period
- 26 -- Adjusted income from operations, which excludes the effect of

1 non-cash charges related to stock-based compensation of \$0.3
 2 million, was \$5.8 million, compared to \$4.4 million in the prior
 year period*

3 -- GAAP net income from continuing operations was \$4.1 million or
 4 \$0.23 per diluted share, compared to \$3.2 million or \$0.23 per
 diluted share in the prior year period

5 -- Adjusted net income from continuing operations, which excludes
 6 the effect of the non-cash gain on change in fair value of
 7 derivative liabilities of \$0.1 million and the non-cash charge
 8 related to stock-based compensation of \$0.3 million, was \$4.3
 million, or \$0.24 per diluted share, compared to \$3.3 million, or
 \$0.24 per diluted share, in the prior year period*

9 -- Acquired three travel agencies in China

10 "Our strong first quarter performance was driven by organic revenue
 11 growth and the financial results from our three recent acquisitions," said
 12 Ms. Jiangping Jiang, Chairwoman and Chief Executive Officer. "Our
 13 organic sales growth was primarily driven by our successful efforts in
 14 cross-marketing and cross-selling our travel related products across our
 15 three business segments, along with the strong demand for travel as a
 16 result of the healthy Chinese economy and the continuing positive
 impact from the Chinese government's stimulus package. We also
 17 benefited from increased brand awareness from both our online presence
 and from the deployment of our TRIPEASY kiosks."

18 First Quarter 2010 Financial Results

19 Revenue for the three months ended March 31, 2010, was \$26.1 million
 20 compared to \$15.5 million for the same period in 2009, an increase of
 21 68.5%. In March 2010, the Company completed the acquisitions of
 22 Huangshan Holiday Travel Service Co., Ltd. ("Huangshan Holiday"),
 Hebei Tianyuan International Travel Agency Co., Ltd. ("Tianyuan"), and
 23 Zhengzhou Yulongkang Travel Agency Co., Ltd. ("Yulongkang"). The
 revenue contribution from these three newly acquired subsidiaries in the
 24 first quarter of 2010 was \$5.3 million, or 20.2% of the Company's total
 25 revenues for the quarter. Excluding the contribution of these newly
 26 acquired businesses, revenue for the first quarter of 2010 was \$20.8
 million, an increase of 34.5% from \$15.5 million in the same period last

1 year.

2 Revenue from air-ticketing was \$4.4 million, compared to \$2.8 million
3 for the same period last year, an increase of 61.3%. This increase was
4 mainly due to the increased demand for air passenger transportation and
5 sales from the Company's Chongqing subsidiary as consumers across
6 China are traveling more as the domestic economy recovers. In order to
7 capitalize on the opportunities arising from the economic promotion by
8 the Chinese government of the mid and western regions of the PRC, the
9 Company strategically set up Chongqing Universal Travel E-Business
10 Co., Ltd. to strengthen its presence in that region in the second quarter
11 of 2009. The Chongqing subsidiary began generating revenues in the
12 third quarter of 2009.

13 Revenue generated by the Company's hotel reservation segment was \$3.2
14 million compared to \$2.5 million for the same period in 2009, an
15 increase of 25.2%. This increase was also due to healthy market demand
16 and the Company's ability to successfully cross market across its three
17 business segments.

18 Revenue generated by package tours was \$18.5 million compared to
19 \$10.2 million for the same period in 2009, an increase of 81.0% from the
20 same period last year. This increase was a result of the three recent
21 acquisitions, the recovery of the domestic economy, the positive impact
22 from the government's stimulus package, and the Company's strong
23 efforts in carrying out various marketing programs and campaigns.

24 Gross profit was \$8.5 million compared to \$6.1 million for the same
25 period last year, an increase of 39.5%. Gross profit margin for the first
26 quarter of 2010 was 32.5% compared to 39.3% for the same period last
27 year. The decrease in gross profit margin was primarily because the
28 packaged tour business, which has a lower profit margin due to the way
revenues are recognized, constituted a higher percentage of the
Company's total revenues than during the prior year period.

Selling, general and administrative ("SG&A") expenses totaled \$3.1
million compared to \$1.9 million for the same period last year, an
increase of 65.1%. The SG&A expenses were 11.7% of revenue for the

1 three months ended March 31, 2010, compared to 12.0% for the same
2 period last year. General increase in selling, general and administrative
3 expenses are in tandem with the growth in business operations during the
4 three months ended March 31, 2010, as compared to the same period of
5 last year. During the first quarter of 2010, the Company incurred extra
6 professional fees and consolidation expenses for the three acquisitions.
7 In addition, the slight increase in percentage was also due to the issuance
8 of stock based compensation in early 2009 and the amortization of such
9 stock based compensation, whereas the stock based compensation is less
10 significant during the same period last year.

11 Income from operations was \$5.4 million compared to \$4.2 million in the
12 same period last year. The Company incurred non-cash charges related
13 to stock-based compensation of \$0.3 million in the first quarter of 2010
14 compared to \$0.2 million in the prior year period. Excluding these
15 non-cash charges, the Company's adjusted income from operations was
16 \$5.8 million for the first quarter of 2010, compared to \$4.4 million in the
17 prior year period. Adjusted operating margin was 22.1%.*

18 Net income from continuing operations was \$4.1 million, or \$0.23 per
19 diluted share, compared to \$3.4 million, or \$0.23 per diluted share, for
20 the same period last year. Excluding the effect of the non-cash gain on
21 change in fair value of derivative liabilities of \$0.1 million and the
22 non-cash charge related to stock-based compensation of \$0.3 million, the
23 Company's adjusted net income from continuing operations was \$4.3
24 million, or \$0.24 per diluted share, compared to \$3.3 million, or \$0.24
25 per diluted share, in the first quarter of 2009.*

26 * * *

27 Financial Condition

28 Cash and cash equivalents were \$37.8 million as of March 31, 2010.
Current assets and current liabilities as of March 31, 2010, were \$69.8
million and \$11.0 million, respectively, yielding working capital of
\$58.8 million. The Company has no long-term debt. For the quarter
ended March 31, 2010, net cash provided by operating activities was
\$6.5 million.

1 Recent Developments

2 -- In March 2010, the Company acquired the following three travel
3 agencies in China: (i) Huangshan Holiday for approximately \$2.9
4 million, of which 80% was in cash and 20% in stock; (ii)
5 Tianyuan for approximately \$4.4 million, of which 80% was in
6 cash and 20% in stock; and (iii) Yulongkang for approximately
\$5.7 million, of which 90% was in cash and 10% in stock.

7 -- In April 2010, the Company entered into letters of intent to
8 acquire the following four travel agencies in China for a total
9 purchase consideration of \$19.5 million: (i) Tianjin Hongxun
10 Aviation Agency Co., Ltd.; (ii) Shanxi Jinyang Travel Agency
11 Co., Ltd.; (iii) Kunming Business Travel Agency Co., Ltd.; and
12 (iv) Shandong Century Aviation Development Co., Ltd. The
13 combined unaudited 2009 revenue and net income for the four
14 travel agencies were \$23.0 million and \$3.0 million, respectively.

15 Business Outlook

16 Ms. Jiang commented, "We are optimistic about our business prospects.
17 Our main base of operations in Shenzhen in the Pearl River Delta region
18 of China continues to perform well and the expansion of our business
19 into Western China, through our second home base in the Chongqing
Delta region is ramping up nicely. We are very pleased with our recently
completed acquisitions as they were made at attractive valuations and
enable Universal Travel Group to expand into additional
under-penetrated domestic travel markets.

20 "Our three newly acquired businesses are traditional travel agencies with
21 a minimal online presence and the bulk of their business comes from
22 selling package tours. As such, we see many opportunities to improve
23 sales and profitability by expanding their online bookings and air
24 ticketing and hotel reservation sales as we integrate these businesses and
25 their customers into our wider travel platform over the coming weeks
26 and months. We expect this initiative not only to increase sales, but also
27 to help improve overall margin performance given that online bookings,
air ticketing and hotel reservations all have higher margins than sales via
customer service representatives and, given the way revenues are

1 recognized, sales of package tours. We expect to see the results of our
2 efforts as the year progresses and expect stronger overall margin
3 performance in the second half of 2010 as a result of these initiatives, but
4 also because the package tour business is seasonal and the third and
fourth quarters typically outperform the first two quarters of the year.

5 "We recently announced our intent to acquire an additional four travel
6 agencies in China. These companies have a greater focus on air ticketing
7 and hotel reservations versus package tours. Following the closing of
8 these acquisitions, our geographic coverage will have expanded to ten
9 provinces in mainland China and we are confident that these acquisitions
will have a positive impact on our top and bottom line performance for
the year and beyond."

10 For full year 2010, the Company reiterates its previously issued guidance
11 of achieving a growth rate range of between 45% and 55% in both
12 revenues and net income, excluding the effect of non-cash charges
13 related to the change in fair value of derivative liabilities and stock-based
14 compensation. This guidance does not include any impact from the four
companies the Company has announced it is in the process of acquiring.

15 32. On June 16, 2010, the Company issued a press release entitled,
16
17 "Universal Travel Group Prices \$20 Million Offering of Common Stock." Therein,
18 the Company, in relevant part, stated:

19 SHENZHEN, China, June 16 /PRNewswire-Asia-FirstCall/ -- Universal
20 Travel Group (NYSE:UTA) ("Universal Travel Group" or the
21 "Company"), a leading travel services provider in China, today
22 announced the pricing of a public offering of 2,857,143 shares of its
23 common stock at \$7.00 per share. The offering is expected to close on
24 Monday, June 21, 2010. In addition, Universal Travel Group has
25 granted the underwriters a 30-day option to purchase up to an additional
26 428,572 shares of its common stock to cover over-allotments, if any.
Brean Murray, Carret & Co., LLC is acting as sole book running
manager and Rodman & Renshaw, LLC is acting a co-manager for the
offering.

1
2 "We are pleased to announce the pricing of this transaction and
3 appreciate the support of our new and existing investors," commented
4 Ms. Jiangping Jiang, Chairwoman and Chief Executive Officer. "The
5 proceeds from this financing will be used to fund the cash portion of the
6 four recently announced acquisitions and for working capital to expand
7 our core business segments. We believe the offering will accelerate the
8 closing of these acquisitions and make a positive contribution to our
9 revenue growth, increased earnings and EPS performance."

10
11 33. On June 22, 2010, the Company issued a press release entitled,
12 "Universal Travel Group Closes \$20 Million Offering of Common Stock." Therein,
13 the Company, in relevant part, stated:

14 SHENZHEN, China, June 22 /PRNewswire-Asia-FirstCall/ -- Universal
15 Travel Group (NYSE:UTA) ("Universal Travel Group" or the
16 "Company"), a leading travel services provider in China, today
17 announced that on June 21, 2010 the Company closed the common stock
18 offering announced on June 16, 2010. In this transaction, the Company
19 issued 2,857,143 shares of its common stock at \$7.00 per share for an
20 aggregate amount of \$20 million. Brean Murray, Carret & Co. acted as
21 sole book running manager and Rodman & Renshaw, LLC acted as
22 co-manager for the offering.

23 The proceeds from this financing will be used to fund the cash portion of
24 its four recently announced acquisitions and for working capital to expand
25 the Company's core business segments.

26 The shares in this offering are being issued under a shelf registration
27 statement declared effective by the Securities and Exchange Commission
28 on November 5, 2009. A prospectus supplement related to the public
offering will be filed with the Securities and Exchange Commission.

34. On June 30, 2010, the Company issued a press release entitled,

1 “Universal Travel Group Completes Acquisitions of Shanxi Jinyang Travel Agency
2 and Kunming Business Travel Agency.” Therein, the Company, in relevant part,
3 stated:
4

5 SHENZHEN, China, June 30 /PRNewswire-Asia-FirstCall/ -- Universal
6 Travel Group (NYSE:UTA) ("Universal Travel Group" or the
7 "Company"), a leading travel services provider in China offering
8 package tours, air ticketing, and hotel reservation services, today
9 announced that the Company has completed the previously announced
10 acquisitions of Shanxi Jinyang Travel Agency Co., Ltd. ("Shanxi
11 Jinyang") and Kunming Business Travel Agency Co., Ltd. ("Kunming
12 Business Travel") for \$8.0 million, of which 90% was paid in cash and
10% in stock. The combined audited 2009 revenue and net income for
the two travel agencies was \$15.3 million and \$1.3 million, respectively.

13 Shanxi Jinyang was founded in 1988 in Taiyuan, Shanxi Province and
14 is one of the largest travel agencies in Shanxi Province in terms of tourist
15 volume and revenues. Shanxi Jinyang provides comprehensive travel
16 services and has established business relationships with local travel
destinations, hotels, and air ticketing agencies.

17 Kunming Business Travel was founded in 1993 in Kunming, Yunnan
18 Province and is the premier golf travel service agency in its region.

19 Kunming Business Travel has partnerships with seven golf clubs and
20 provides services, including reservations, event planning, hosting
21 business trips and golf competitions. Kunming Business Travel is the
only professional golf travel service provider in the Yunnan Province.

22 With the closing of these two acquisitions, assuming no further dilutive
23 effect from financings or acquisitions, the Company now expects to
24 achieve between \$145.0 million and \$155.0 million in revenue, \$27.0
25 million and \$28.0 million in net income, and \$1.35 and \$1.40 in diluted
26 EPS in the fiscal year 2010, excluding the effect of non-cash charges
related to the change in fair value of derivative liabilities and stock-based
compensation.

1 "We are very pleased to have closed the first two of our recently
 2 announced four acquisitions on schedule," said Ms. Jiangping Jiang,
 3 Chairwoman and Chief Executive Officer. "These acquisitions of travel
 4 service providers will help us to further expand our geographic coverage
 5 in the fast growing domestic travel market. We believe Universal Travel
 6 Group's comprehensive service platform and broad customer reach will
 7 enable us to further improve their earnings and profit margins."

8 35. On August 10, 2010, the Company issued a press release entitled,
 9 "Universal Travel Group Announces Second Quarter 2010 Results." Therein, the
 10 Company, in relevant part, stated:

11 SHENZHEN, China, Aug. 10 /PRNewswire-Asia-FirstCall/ -- Universal
 12 Travel Group (NYSE:UTA) ("Universal Travel Group" or the
 13 "Company"), a leading travel services provider in China offering
 14 package tours, air ticketing, and hotel reservation services online and via
 15 customer service representatives, today announced financial results for
 16 the three and six months ended June 30, 2010.

17 Second Quarter 2010 Highlights

- 18 -- Revenue increased 99.6% year-over-year to \$36.7 million
- 19 -- Excluding contribution of newly acquired businesses, revenue
 20 increased 36.4% year-over-year
- 21 -- Gross profit increased 61.6% year-over-year to \$10.6 million
- 22 -- Gross margin was 28.7%, compared to 35.5% in the prior year
 23 period
- 24 -- Income from operations increased 42.8% to \$7.1 million
- 25 -- Adjusted income from operations, which excludes the effect of
 26 non-cash charges related to stock-based compensation of \$0.3
 27 million, increased 40.4% to \$7.4 million(*)
- 28 -- GAAP net income from continuing operations was \$6.0 million or
 \$0.33 per diluted share, compared to a loss of \$1.9 million or
 \$0.13 per diluted share in the prior year period
- Adjusted net income from continuing operations, which excludes
 the effect of the non-cash gain on change in fair value of

1 derivative liabilities of \$0.8 million and the non-cash charge
2 related to stock-based compensation of \$0.3 million, increased
3 29.3% to \$5.5 million, or \$0.30 per diluted share(*)

4 -- Acquired two travel service providers in China

5 "We are pleased to announce another quarter of strong growth in our
6 business," said Ms. Jiangping Jiang, Chairwoman and Chief Executive
7 Officer. "Our second quarter sales grew both organically and via our
8 recently closed acquisitions. During the quarter, we saw strong demand
9 for our travel services as the Chinese economy continues to expand,
10 providing more and more consumers in China with disposal income for
11 travel and tourism. We continue to see success in cross-marketing and
12 selling our travel related products across our three business segments and
13 increased brand awareness from our online presence and the deployment
14 of our TRIPEASY kiosks."

15 Second Quarter 2010 Financial Results

16 Revenue for the three months ended June 30, 2010, was \$36.7 million
17 compared to \$18.4 million for the same period in 2009, an increase of
18 99.6%. In March 2010, the Company completed the acquisitions of
19 Huangshan Holiday Travel Service Co., Ltd., Hebei Tianyuan
20 International Travel Agency Co., Ltd., and Zhengzhou Yulongkang
21 Travel Agency Co., Ltd. In June 2010, the Company completed the

22 acquisitions of Shanxi Jinyang Travel Agency Co., Ltd. and Kunming
23 Business Travel Agency Co., Ltd. The revenue contribution from these
24 five newly acquired businesses in the second quarter of 2010 was \$11.6
25 million, or 31.7% of the Company's total revenues for the quarter.
26 Excluding the contribution of these newly acquired businesses, revenue
27 for the second quarter of 2010 was \$25.1 million, an increase of 36.4%
28 from \$18.4 million in the same period last year.

Revenue from air-ticketing was \$6.0 million, compared to \$3.3 million
for the same period last year, an increase of 82.3%. This increase was
mainly due to increased demand for air passenger transportation and
higher ticket prices.

1 Revenue generated by the Company's hotel reservation segment was \$3.0
2 million compared to \$2.7 million for the same period in 2009, an
3 increase of 11.2%. This increase was mainly due to healthy market
4 demand and the Company's ability to successfully cross-market across
its three business segments.

5 Revenue generated by package tours was \$27.7 million compared to
6 \$12.4 million for the same period in 2009, an increase of 123.6% from
7 the same period last year. This increase was primarily the result of the
8 five recent acquisitions, the recovery of the domestic economy, the
9 positive impact from the government's stimulus package, and the
Company's strong efforts in carrying out various marketing programs.

10 Gross profit was \$10.6 million compared to \$6.5 million for the same
11 period last year, an increase of 61.6%. Gross profit margin was 28.7%
12 compared to 35.5% for the same period last year. The decrease in gross
13 profit margin was primarily because the packaged tour business, which
14 has a lower profit margin due to the way revenues are recognized,
constituted a higher percentage of the Company's total revenues than
during the prior year period.

15 Selling, general and administrative ("SG&A") expenses totaled \$3.5
16 million compared to \$1.6 million for the same period last year, an
17 increase of 121.2%. The SG&A expenses were 9.4% of revenue
18 compared to 8.5% for the same period last year. The increase in SG&A
19 expenses is in connection with the growth in business operations during
the three months ended June 30, 2010, as compared to the same period
20 of last year. In addition, during the second quarter of 2010, the Company
incurred extra professional fees and consolidation expenses related to the
21 businesses it acquired, as well as from the \$20 million common stock
offering in June. The Company also incurred increased advertising
22 expenses this quarter relative to the same period last year. In addition, in
23 the second half of 2009 the Company established two subsidiaries
24 (Chongqing Universal Travel E-Business Co., Ltd and Shenzhen
Universal Travel Agency Co. Ltd.) and depreciation and amortization
25 expenses for these subsidiaries have been taken into account since the
26 third quarter of 2009.

1 Income from operations was \$7.1 million compared to \$5.0 million in the
2 same period last year, an increase of 42.8%. The Company incurred
3 non-cash charges related to stock-based compensation of \$0.3 million in
4 the second quarter of 2010, the same amount as in the prior year period.
5 Excluding these non-cash charges, the Company's adjusted income from
6 operations was \$7.4 million for the second quarter of 2010, compared to
\$5.3 million in the prior year period, an increase of 40.4%. Adjusted
operating margin was 20.2%.(*)

7 Net income from continuing operations was \$6.0 million, or \$0.33 per
8 diluted share, compared to a loss of \$1.9 million, or \$0.13 per diluted
9 share, for the same period last year. Excluding the effect of the non-cash
10 gain on change in fair value of derivative liabilities of \$0.8 million and
11 the non-cash charge related to stock-based compensation of \$0.3 million,
12 the Company's adjusted net income from continuing operations was \$5.5
million, or \$0.30 per diluted share, compared to \$4.3 million, or \$0.30
per diluted share, in the second quarter of 2009.(*)

13 Ms. Jiang added, "Our bottom line performance benefited from our
14 strong sales growth and higher margins in our air ticketing business as
15 airlines in China increased prices in response to the booming travel
16 market. This was offset by an increased proportion of our sales coming
17 from package tours, which have a lower profit margin due to the way
revenues are recognized, as well as from lower margins when compared

18 to last year in our hotel reservation segment and our package tour
19 business. The slight decrease in our hotel reservation margin was due to
20 a year-over-year reclassification of costs. The decrease in margin in our
21 package tour business was the result of the five travel service providers

22 we acquired having lower margins than our existing business. Although
23 currently these businesses have lower profit margins than our existing
24 business, we expect their margin contribution to improve as we integrate
25 them into our platform, and their strong local networks are critical in our
26 nationwide expansion strategy."

27 * * *

1 Six Months Results

2
3 Revenue for the six months ended June 30, 2010, was \$62.9 million
4 compared to \$33.9 million for the same period in 2009, an increase of
5 85.4%. The revenue contribution from the Company's five newly
6 acquired businesses in the first half of 2010 was \$16.9 million, or 26.9%
7 of the Company's total revenues for the first half. Excluding the
8 contribution of these newly acquired businesses, revenue for the first half
9 of 2010 was \$46.0 million, an increase of 35.5% from \$33.9 million in
10 the same period last year.

11 Revenue from air-ticketing was \$10.4 million, compared to \$6.0 million
12 for the same period last year, an increase of 72.7%. Revenue generated
13 by the Company's hotel reservation segment was \$6.2 million compared
14 to \$5.2 million for the same period in 2009, an increase of 17.9%.
15 Revenue generated by package tours was \$46.3 million compared to
16 \$22.6 million for the same period in 2009, an increase of 104.3% from
17 the same period last year.

18 Gross profit was \$19.1 million compared to \$12.3 million for the same
19 period last year, an increase of 54.9%. Gross profit margin was 30.3%
20 compared to 36.3% for the same period last year.

21 Selling, general and administrative ("SG&A") expenses totaled \$6.5
22 million compared to \$3.1 million for the same period last year, an
23 increase of 110.6%. The SG&A expenses were 10.4% of revenue
24 compared to 9.1% for the same period last year.

25 Income from operations was \$12.5 million compared to \$9.2 million in
26 the same period last year, an increase of 36.1%. The Company incurred
27 non-cash charges related to stock-based compensation of \$0.7 million in
28 the first half of 2010 compared to \$0.5 million in the prior year period.
Excluding these non-cash charges, the Company's adjusted income from
operations was \$13.2 million for the first half of 2010, compared to \$9.7
million in the prior year period, an increase of 36.2%. Adjusted operating
margin was 21.0%.(*)

1
2 Net income from continuing operations was \$10.1 million, or \$0.57 per
3 diluted share, compared to \$1.4 million, or \$0.10 per diluted share, for
4 the same period last year. Excluding the effect of the non-cash gain on
5 change in fair value of derivative liabilities of \$0.9 million and the
6 non-cash charge related to stock-based compensation of \$0.7 million, the
7 Company's adjusted net income from continuing operations was \$9.9
8 million, or \$0.55 per diluted share, compared to \$7.6 million, or \$0.53
9 per diluted share, in the first half of 2009.(*)

10 * * *

11 Financial Condition

12 Cash and cash equivalents were \$43.6 million as of June 30, 2010.
13 Current assets and current liabilities as of June 30, 2010, were \$86.2
14 million and \$10.8 million, respectively, yielding working capital of
15 \$75.4 million. The Company has no long-term debt. For the six months
16 ended June 30, 2010, net cash provided by operating activities was \$4.5
17 million.

18 Recent Developments

- 19 -- In July 2010, the Company announced a partnership with Agoda,
20 a subsidiary of Priceline.com, to strengthen its hotel reservation
21 business segment and upgrade its website, <http://www.cnutg.com>

22 Under the agreement, Universal Travel Group will offer its customers
23 access to Agoda's international network of hotels. Through the updated
24 cnutg.com website, travelers will be able to enjoy special Agoda
25 promotions and instant confirmation at tens of thousands of hotels
26 worldwide.

- 27 -- In June 2010, the Company acquired Shanxi Jinyang Travel and
28 Kunming Business Travel for \$8.0 million, of which 90% was
paid in cash and 10% in stock.
- In June 2010, the Company closed a common stock offering and
issued 2,857,143 shares of its common stock at \$7.00 per share for
an aggregate amount of \$20 million. The proceeds from this
financing were used to fund the cash portion of the Company's

1 two recently closed acquisitions and are expected to be used to
2 fund the cash portion of the two acquisitions that have been
3 announced but have not yet closed (Tianjin Hongxun Aviation
4 Agency Co., Ltd. and Shandong Century Aviation Development
5 Co., Ltd.) as well as for working capital to expand the Company's
6 core business segments.

7 Business Outlook

8 Ms. Jiang commented, "In June, a number of Chinese airlines reported
9 that they were authorized to cut the commission paid to travel agencies.
10 Currently there has been no major impact on our existing business since
11 the airlines planned to cut only the commission rates for a few flights
12 departing from Beijing and Shanghai. Based on our analysis of air ticket
13 booking habits in China, we believe that in the coming years the airlines
14 will continue to heavily rely on travel agencies and pay travel agency
15 commissions when selling tickets. Furthermore, we believe that any
16 eventual commission rate cuts will serve to accelerate the consolidation
17 of the travel services industry in China. We expect Universal Travel
18 Group to be a beneficiary of any such consolidation as we believe the
19 larger and more efficient travel service providers will gain more market
20 share and the smaller and weaker players would be hurt most from any
21 further commission rate cuts.

22 "As part of our strategy to position ourselves as a leader in the fast
23 growing and consolidating China travel market, we closed two
24 acquisitions of travel service providers in the second quarter, which
25 together with our three acquisitions in the first quarter, further expanded
26 our geographic reach. We believe our comprehensive travel service
27 platform and broad customer reach will enable us to improve the sales

28 volume and operating efficiency of these new acquisitions. We also
expect these newly acquired businesses to help our existing business by
broadening the travel services we offer our customers. With a higher
volume of bookings from our acquired businesses, our bargaining power
with airlines and hotels should also benefit. Overall, we expect improved
sales, margins and earnings as we fully integrate these businesses into our

1 platform.

2 "Finally, we are very excited about our recently announced partnership
3 with Agoda, a subsidiary of Priceline.com. Under the partnership
4 agreement, we offer our customers access to Agoda's international
5 network of hotels. Through our website, travelers will be able to enjoy
6 special Agoda promotions and instant confirmation at tens of thousands
7 of hotels worldwide. Also through this partnership, Agoda intends to
8 increase its exposure in the large Chinese travel market. This partnership
9 offers us the opportunity to work with one of the world's largest online
10 hotel reservation agencies and further strengthen our hotel reservation
11 segment. We intend to leverage Agoda's global brand awareness and
12 look forward to a higher volume of hotel reservations."

13 As previously announced, for full year 2010, the Company expects to
14 achieve between \$145.0 million and \$155.0 million in revenue, \$27.0
15 million and \$28.0 million in net income, and \$1.35 and \$1.40 in diluted
16 EPS, excluding the effect of non-cash charges related to the change in
17 fair value of derivative liabilities and stock-based compensation and
18 assuming no further dilutive effect from financings or acquisitions.

19 36. On August 10, 2010, UTG filed its Quarterly Report with the SEC on
20 Form 10-Q for the 2010 fiscal second quarter. The Company's Form 10-Q was signed
21 by Defendants Jiang and Zhang, and reaffirmed the Company's financial results
22 announced that same day. The Company's Form 10-Q also contained Sarbanes-Oxley
23 required certifications, signed by Defendants Jiang and Zhang, substantially similar
24 to the certifications contained in ¶26, *supra*.

25 37. On November 15, 2010, UTG filed its Quarterly Report with the SEC on
26 Form 10-Q for the 2010 fiscal third quarter. The Company's Form 10-Q was signed
27 by Defendants Jiang and Xie, and contained the Company's financial results for the

1 2010 fiscal third quarter. The Company's Form 10-Q also contained Sarbanes-Oxley
 2 required certifications, signed by Defendants Jiang and Xie, substantially similar to
 3 the certifications contained in ¶26, *supra*.
 4

5 38. On November 16, 2010, the Company issued a press release entitled,
 6 "Universal Travel Group Announces Third Quarter 2010 Results." Therein, the
 7 Company, in relevant part, stated:
 8

9 SHENZHEN, China, Nov. 16, 2010 /PRNewswire-Asia-FirstCall/ --
 10 Universal Travel Group (NYSE: UTA) ("Universal Travel Group" or the
 11 "Company"), a leading travel services provider in China offering
 12 package tours, air ticketing, and hotel reservation services online and via
 13 customer service representatives, today announced financial results for
 14 the three and nine months ended September 30, 2010.

14 Third Quarter 2010 Highlights

- 15 * Revenue increased 55.4% year-over-year to \$46.3 million
- 16 * Excluding contribution of newly acquired businesses, revenue
 17 increased 16.6% year-over-year to \$34.7 million
- 18 * Gross profit increased 37.4% year-over-year to \$13.5 million
- 19 * Gross margin was 29.1%, compared to 32.9% in the prior year
 20 period and improved from 28.7% in the prior quarter period
- 21 * Income from operations increased 27.8% to \$9.5 million
- 22 * Net income from continuing operations was \$7.3 million or \$0.36
 23 per diluted share, compared to \$4.7 million or \$0.31 per diluted
 24 share in the prior year period, a year over year increase of 55.3%

25 "We are pleased with our third quarter results," said Ms. Jiangping Jiang,
 26 Chairwoman and Chief Executive Officer. "Our packaged tour segment
 27 continued to grow and remains our largest business segment as a result

1 of our five recent acquisitions and the efficacy of our various marketing
2 programs. Our air ticketing revenues benefited from increased sales
3 volume as we sold approximately 250,000 more tickets in the third
4 quarter of 2010 compared to same period last year. Our hotel business
5 was flat year-over-year due to the temporary disruption in the supply of
6 hotel room inventory available for advance purchase from the Shanghai
World Expo. We expect the growth of our hotel business to resume
when market conditions return to normal."

7 Third Quarter 2010 Financial Results

8 Revenue for the three months ended September 30, 2010, was \$46.3
9 million compared to \$29.8 million for the same period in 2009, an
10 increase of 55.4%. In March 2010, the Company completed the
11 acquisitions of Huangshan Holiday Travel Service Co., Ltd., Hebei
12 Tianyuan International Travel Agency Co., Ltd., and Zhengzhou
13 Yulongkang Travel Agency Co., Ltd. In June 2010, the Company
14 completed the acquisitions of Shanxi Jinyang Travel Agency Co., Ltd.
15 and Kunming Business Travel Agency Co., Ltd. The revenue
16 contribution from these five newly acquired businesses in the third
quarter of 2010 was \$11.6 million or 25.0% of the Company's total
revenues for the quarter. Excluding the contribution of these newly
acquired businesses, revenue for the third quarter of 2010 was \$34.7

17 million, an increase of 16.6% from \$29.8 million in the same period last year.

18 Revenue from air-ticketing was \$6.7 million, compared to \$4.9 million
19 for the same period last year, an increase of 37.4%. This increase was
20 mainly driven by the increase in air-ticket sales volume and growth from
21 our Chongqing Travel World E-Business Co., Ltd. subsidiary.

22 Revenue generated by the Company's hotel reservation segment was \$3.8
23 million, unchanged from the same period in 2009. The stagnant growth
24 in this segment was due to the low available hotel inventory during the
25 Shanghai World Expo, as the Company decided not to take the risk of
26 purchasing hotel inventory in advance. Sales from the hotel reservation
segment are expected to resume its normal growth after this one-time
event.

1 Revenue generated by the Company's packaged tour segment was \$35.8
2 million compared to \$21.1 million for the same period in 2009, an
3 increase of 69.7% from the same period last year. This increase was a
4 result of the growth of the Chinese economy, increased sales from our
5 Shenzhen Universal Travel Agency Co., Ltd subsidiary, and efforts in
6 carrying out various marketing programs in this segment.

7 Gross profit was \$13.5 million compared to \$9.8 million for the same
8 period last year, an increase of 37.4%. Gross profit margin was 29.1%
9 compared to 32.9% for the same period last year, and 28.7% from the
10 prior quarter in 2010. The decrease in gross profit margin was due to the
11 increasing sales from the packaged tour business as a result of five new
12 acquisitions of packaged tour companies, which have a lower profit
13 margin due to the way revenues are recognized.

14 Selling, general and administrative ("SG&A") expenses totaled \$4.0
15 million compared to \$2.4 million for the same period last year, an
16 increase of 70.3%. The SG&A expenses were 8.7% of revenue
17 compared to 7.9% for the same period last year. The increase in SG&A
18 expenses is in connection with the growth in business operations during
19 the three months ended September 30, 2010, as compared to the same
20 period of last year.

21 Income from operations was \$9.5 million compared to \$7.4 million in the
22 same period last year, an increase of 27.8%.

23 Net income from continuing operations was \$7.3 million, or \$0.36 per
24 diluted share, compared to \$4.7 million, or \$0.31 per diluted share, for
25 the same period last year.

26 Nine Months Results

27 Revenue for the nine months ended September 30, 2010, was \$109.2
28 million compared to \$63.7 million for the same period in 2009, an
increase of 71.4%. The revenue contribution from the Company's five
newly acquired businesses in the first nine months of 2010 was \$28.5
million, or 26.1% of the Company's total revenues. Excluding the
contribution of these newly acquired businesses, revenue for the first

1 nine months of 2010 was \$80.7 million, an increase of 26.7% from \$63.7
2 million in the same period last year.

3 Revenue from air-ticketing segment was \$17.1 million, compared to
4 \$10.9 million for the same period last year, an increase of 57.0%.
5 Revenue generated by the Company's hotel reservation segment was
6 \$10.0 million compared to \$9.1 million for the same period in 2009, an
7 increase of 10.4%. Revenue generated by package tours was \$82.0
8 million compared to \$43.7 million for the same period in 2009, an
9 increase of 87.6% from the same period last year.

10 Gross profit was \$32.5 million compared to \$21.8 million for the same
11 period last year, an increase of 49.0%. Gross profit margin was 29.8%
12 compared to 34.3% for the same period last year.

13 Selling, general and administrative ("SG&A") expenses totaled \$10.6
14 million compared to \$5.2 million for the same period last year, an
15 increase of 103.7%. The SG&A expenses were 9.7% of revenue
16 compared to 8.1% for the same period last year.

17 Income from operations was \$22.0 million compared to \$16.6 million in
18 the same period last year, an increase of 32.4%.

19 Net income from continuing operations was \$17.4 million, or \$0.93 per
20 diluted share, compared to \$5.5 million, or \$0.37 per diluted share, for
21 the same period last year. Excluding the effect of the non-cash gain on
22 change in fair value of derivative liabilities of \$1.3 million, the non-cash
23 charge related to stock-based compensation of \$1.0 million and the \$0.07
24 million one-time, non-cash gain on disposal of fixed assets, the

25 Company's adjusted net income from continuing operations was \$17.1
26 million, or \$0.91 per diluted share, compared to \$12.9 million, or \$0.86
27 per diluted share, in the first nine months of 2009, a year-over-year
28 growth of 34.9%. *

* * *

Financial Condition

1
2 Cash and cash equivalents were \$56.7 million as of September 30, 2010.
3 Current assets and current liabilities as of September 30, 2010, were
4 \$101.6 million and \$12.0 million, respectively, yielding working capital
5 of \$89.7 million. The Company has no long-term debt. For the nine
6 months ended September 30, 2010, net cash provided by operating
7 activities was \$17.1 million.

8 Business Outlook

9 Ms. Jiang commented, "We continue to focus on improving our sales
10 and profitability by encouraging cross selling across our three businesses
11 and implementing operating efficiencies as we move forward with the
12 integration process for our newly acquired businesses. We remain
13 optimistic about our business prospects given the strength of the travel
14 market in China, our expanded geographic reach, and the comprehensive
15 travel platform we offer our customers."

16 As previously announced, for full year 2010, the Company expects to
17 achieve between \$145.0 million and \$155.0 million in revenue, \$27.0
18 million and \$28.0 million in net income, and \$1.35 and \$1.40 in diluted
19 EPS, excluding the effect of non-cash charges related to the change in

20 fair value of derivative liabilities and stock-based compensation and
21 assuming no further dilutive effect from financings or acquisitions.

22 39. The statements contained in ¶¶23-38 were materially false and/or
23 misleading when made because defendants failed to disclose or indicate the following:
24 (1) that the pre-acquisition net income and revenue of certain companies UTG
25 acquired was less than UTG represented; (2) that there was a lack of evidence
26 supporting certain tour package contracts and related cash payments; (3) that, as a
27 result, the Company's financial statements were misstated; (4) that the Company

1 lacked adequate internal and financial controls; and (5) that, as a result of the
2 foregoing, the Company's statements were materially false and misleading at all
3 relevant times.
4

5 40. On March 8, 2011, a research report was published on the Internet that
6 questioned UTG's financial statements, business model and the valuation of recent
7 acquisitions. Therein, the research report, in relevant part, stated:
8

9 · UTA is fabricating its publicly filed financial statements. Its actual
10 underlying business is far smaller than its SEC filings indicate.

11 · UTA's business model is not credible. For example, UTA claims to
12 have earned \$110 million in net revenue in the first three quarters of
13 2010 on an advertising budget of \$247,449 in the highly competitive
14 leisure travel market. Its competitors spend five to 10 times more on
15 marketing as a percentage of net revenue, casting doubt on the
16 authenticity of UTA's revenue and net income.

17 · UTA has a deficient and unpopular website, boasts only a minimal
18 brick-and-mortar retail operation and has no kiosks under its control to
19 directly sell to consumers. Yet the company's return on assets and asset
20 turnover figures suggest it is the most efficient company in the leisure
21 travel space, consistently trouncing the competition.

22 · UTA's website is barely functional (as can be seen in our videos here,
23 here, here, here and here), offers a terrible user experience and receives
24 only a small fraction of the traffic of its Chinese competitors, despite the
25 fact that the company holds itself out as an online travel service provider.

26 · UTA is a serial capital raiser, repeatedly returning to western investors
27 for cash despite supposedly having, according to its balance sheet, ample
28 cash on hand, which sits unused in an account earning 36% in interest
per year. UTA is lying about the amount of cash on its balance sheet, as

1 is evidenced by its inexplicably low interest income.

2 · UTA has destroyed shareholder value through a series of dilutive
3 acquisitions. The company's acquisition targets had much smaller
4 earnings than UTA claimed in its public filings.

5 · UTA's purported relationship with Agoda, a subsidiary of
6 Priceline.com, is overstated.

7 · UTA has burned through 4 low-quality auditors and 3 CFOs in 5 years.

8
9 In this report, we present compelling evidence that Universal Travel
10 Group ("UTA" or the "company") is falsifying its publicly filed financial
11 statements. We believe that UTA's SEC financial statements greatly
12 exaggerate the company's revenue, cash balance and net income. UTA
13 is actually a tiny and antiquated brick-and-mortar travel business, and its
14 management is lying about the size and sophistication of the business in
15 order to misappropriate funds from investors.

16 41. Additionally, the report, in relevant part, alleged that the pre-acquisition
17 net income and revenue of certain companies that UTG had acquired in 2010 was far
18 less than UTG had represented. Specifically, the report highlighted that certain of the
19 acquired companies had filed income statements with China's State Administration
20 of Industry and Commerce that reported lower pre-acquisition revenue and net
21 income:
22
23
24
25
26
27

Acquired Companies in 2010		Zhengzhou Yu Long Kang Travel Agency Co. (ZYT)	Hebei Tian Yuan International Travel Agency Co. (HTI)	Kunming Business Travel Agency Co. (KBT)	Shanxi Jin Yang Travel Agency Co. (JIT)	Shandong Shi Ji Aviation Development Co.
All figures are in USD, using forex rate of \$2=6.85 RMB.	Date of Acq.	March 2010	March 2010	June 2010	June 2010	June 2010
	Purchase Price	\$5,700,000	\$4,400,000	\$5,700,000	\$2,300,000	\$5,600,000
UTA Claimed Figures for 2009	Revenue	\$10,500,000	n/a	\$9,400,000	\$5,600,000	\$4,400,000
	Net Income	\$800,000	n/a	\$900,000	\$400,000	\$800,000
AIC Filings - 2009	Revenue	\$58,394	\$102,797	\$1,671,128	\$734,868	\$494,755
	Net Income	\$4,978	(\$191,687)	\$42,483	\$1,866	\$16,747
	Assets	\$84,433	\$336,333	\$687,543	n/a	\$438,149
UTA Claimed Net Income Multiple paid	Net Income	7.1	n/a	6.3	5.8	7.0
Actual Acquired Multiples Paid	Revenue	97.6	42.8	3.4	3.1	11.3
	Net Income	1145.0	n/a	134.2	1232.5	334.4
	Assets	67.5	13.1	8.3	n/a	12.8

42. On this news, shares of UTG declined \$0.47 per share, or 7.6%, to close on March 9, 2011, at \$5.71 per share, on unusually heavy volume.

43. On March 29, 2011, the Company issued a press release entitled, "Universal Travel Group Postpones Earnings Conference Call From March 30 to Later in 2011." Therein, the Company, in relevant part, stated:

SHENZHEN, China, March 29, 2011 /PRNewswire-Asia/ -- Universal Travel Group ("Universal Travel Group" or the "Company") (NYSE: UTA), a leading travel services provider in China, offering package

tours, air ticketing, and hotel reservation services online and via customer service representatives, today announced that it has postponed its year 2010 earnings conference call previously scheduled for March 30, 2011 at 09:00 a.m. EDT to a later day in 2011 to be determined. The postponement was not due to any accounting irregularities and will allow the Company and its independent auditors to complete their work on the financial statements and audit. The Company regrets any inconvenience that the postponement may have created.

44. On this news, shares of UTG declined \$1.06 per share, or 19.67%, to close on March 30, 2011, at \$4.33 per share, on unusually heavy volume.

1 45. On March 31, 2011, the Company filed a Notification of inability to
2 timely file Form 10-K with the SEC on Form 12b-25. Therein, the Company, in
3 relevant part, stated:
4

5 The Company has encountered a delay in assembling the information, in
6 particular its financial statements for the fiscal year ended December 31,
7 2010, required to be included in its Annual Report on Form 10-K for the
8 year ended December 31, 2010. The Company expects to file its Annual
9 Report on Form 10-K for the year ended December 31, 2010 with the
10 U.S. Securities and Exchange Commission within 15 calendar days of
the prescribed due date.

11 46. The statements contained in ¶¶43,45, were materially false and/or
12 misleading when made because defendants failed to disclose or indicate the following:
13 (1) that the pre-acquisition net income and revenue of certain companies UTG
14 acquired was less than UTG represented; (2) that there was a lack of evidence
15 supporting certain tour package contracts and related cash payments; (3) that, as a
16 result, the Company's financial statements were misstated; (4) that the Company
17 lacked adequate internal and financial controls; and (5) that, as a result of the
18 foregoing, the Company's statements were materially false and misleading at all
19 relevant times.
20
21
22

23 **Disclosures at the End of the Class Period**

24 47. Thereafter, on or around April 11, 2011, trading in UTG's common stock
25 was unexpectedly halted on the NYSE.
26

1 48. On April 14, 2011, the Company issued a press release entitled,
2
3 "Universal Travel Group Inc. Appoints EFP Rotenberg & Co, LLP as Independent
4 Auditors, Subject to Clearing Client Acceptance Procedures." Therein, the Company,
5 in relevant part, stated:

6 SHENZHEN, China, April 14, 2011 /PRNewswire-Asia-FirstCall/ --
7 Universal Travel Group Inc. ("Universal Travel Group" or the
8 "Company") (NYSE: UTA), a leading travel services provider in China,
9 offering package tours, air ticketing, and hotel reservation services
10 online and via customer service representatives, today announced it has
11 engaged EFP Rotenberg & Co, LLP as its independent registered public
12 accounting firm with immediate effect to take over from Windes &
McClaghry Accountancy Corporation ("Windes") subject to the
Company clearing Rotenberg's client acceptance procedures.

13 On April 10, 2011, the Company received notification that its principal
14 independent accountants, Windes, had resigned its engagement with the
15 Company effective April 9, 2011. Windes was engaged by the Company
16 on September 30, 2010. Windes' resignation as the Company's principal
17 independent accountant was accepted by the Audit Committee on April
18 11, 2011.

19 Windes had informed the Company in its resignation letter that it was no
20 longer able to complete the audit process. Windes stated this was due in
21 part to the Company's management and/or the Audit Committee being
22 non-responsive, unwilling or reluctant to proceed in good faith and
imposing scope limitations on Windes' audit procedures.

23 Windes also stated that it had lost confidence in the Board of Director's
24 and the Audit Committee's commitment to sound corporate governance
25 and reliable financial reporting.

26 Prior to its resignation, Windes raised the following issues, some of
27 which may be considered to be disagreements, encountered during the

1 audit, including issues related to the authenticity of confirmations, a loss
2 of confidence in confirmation procedures carried out under
3 circumstances which Windes believed to be suspicious; issues
4 concerning the lack of evidence of certain tour package contracts and
related cash payments.

5 As a result, Windes had requested authority to perform additional audit
6 procedures and the above issues to be addressed by an independent Audit
7 Committee investigation. Windes stated in its resignation letter that, in
8 its view, the Company was not willing to proceed in good faith with the
9 course of action requested by Windes. Windes also stated in its
10 resignation letter that in its opinion, it believed that certain statements
11 made by Management and the Audit Committee, between March 29,
2011 and its resignation letter, impaired its independence as it related to
the Company.

12 Universal Travel Group disagrees with Windes' reasons for resignation,
13 in particular, the Company and/or the Audit Committee's purported
14 unwillingness or reluctance and/or non-responsiveness to proceed in
15 good faith and imposition of scope limitations on Windes' audit
16 procedures, the Company's purported unwillingness to proceed in good
faith with courses of action requested by Windes and the Company's

17 management and the Audit Committee's purported impairment of Windes'
18 independence in relation to the Company a result of certain statement
made by them.

19 Universal Travel Group believes that it has acted responsively, prudently
20 and in good faith to address the numerous issues raised by Windes
21 during the entire audit process. Windes disagrees. The Company's
22 management, the Audit Committee and Windes attempted to resolve
these disagreements to no avail.

23 The Company has authorized Windes to respond fully to the inquiries of
24 its successor accountant regarding the subject matter of each of such
25 disagreements.

26 Windes has not provided any opinions, qualification or modification to
27

1 the Company's financial statements for each of the past two fiscal years.
2 The Company does not have, as otherwise disclosed above, any other
3 disagreements or reportable events as described under Item 304(a)(1) of
4 Regulations S-K.

5 49. On April 14, 2011, the Company filed a Current Report on Form 8-K.

6 Therein, the Company, in relevant part, stated:

7 **Item 4.01 Changes in Registrant's Certifying Accountant**

8
9 On April 10, 2011, Universal Travel Group (the "Company" or "we")
10 received notification that its principal independent accountants, Windes
11 & McClaughry Accountancy Corporation ("Windes") had resigned its
12 engagement with the Company effective April 9, 2011. Windes was
13 engaged by us on September 30, 2010. Windes' resignation as the
14 Company's principal independent accountant was accepted by the Audit
15 Committee on April 11, 2011.

16 *The following reportable disagreements occurred within the period
17 from Windes' engagement through the date of its resignation, which
18 if not resolved to the satisfaction of Windes, would have caused it to*

19 *make a reference to the subject matter of the disagreements in
20 connection with its report.*

21 *Windes had informed the Company in its resignation letter that it was
22 no longer able to complete the audit process. Windes stated this was
23 due in part to Management and/or the Audit Committee being
24 non-responsive, unwilling or reluctant to proceed in good faith and
25 imposing scope limitations on Windes' audit procedures.*

26 *Windes also stated that Windes had lost confidence in the Board of
27 Directors' and the Audit Committee's commitment to sound corporate
28 governance and reliable financial reporting.*

*Prior to its resignation, Windes raised the following issues (some of
which may be considered to be disagreements) encountered during the*

1 *audit, including issues related to the authenticity of confirmations, a*
 2 *loss of confidence in confirmation procedures carried out under*
 3 *circumstances which Windes believed to be suspicious; issues*
 4 *concerning the lack of evidence of certain tour package contracts and*
related cash payments.

5 *As a result, Windes had requested authority to perform additional audit*
 6 *procedures and the above issues to be addressed by an independent*
 7 *Audit Committee investigation. Windes stated in its resignation letter*
 8 *that, in its view, the Company was not willing to proceed in good faith*
 9 *with the course of action requested by Windes. Windes also stated in*
 10 *its resignation letter that in its opinion, Windes believed that certain*
 11 *statements made by Management and the Audit Committee, between*
March 29, 2011 and its resignation letter, impaired its independence
as it related to the Company.

12 We disagree with Windes' reasons for resignation, in particular
 13 Management and/or the Audit Committee's purported unwillingness or
 14 reluctance and/or non-responsiveness to proceed in good faith and
 15 imposition of scope limitations on Windes' audit procedures, the
 16 Company's purported unwillingness to proceed in good faith with
 17 courses of action requested by Windes and Management and the Audit
 Committee's purported impairment of Windes' independence in relation
 to the Company a result of certain statement made by them.

18 We believe that we have acted responsively, prudently and in good faith
 19 to address the numerous issues raised by Windes during the entire audit
 20 process. Windes disagrees. Management, the Audit Committee and
 Windes attempted to resolve these disagreements to no avail.

21 (Emphasis added).
 22

23 CLASS ACTION ALLEGATIONS

24 50. Plaintiff brings this action as a class action pursuant to Federal Rule of
 25 Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who
 26

1 purchased UTG's securities between January 19, 2010 and April 12, 2011, inclusive
2 (the "Class Period") and who were damaged thereby. Excluded from the Class are
3 Defendants, the officers and directors of the Company, at all relevant times, members
4 of their immediate families and their legal representatives, heirs, successors or assigns
5 and any entity in which Defendants have or had a controlling interest.
6
7

8 51. The members of the Class are so numerous that joinder of all members
9 is impracticable. Throughout the Class Period, UTG's securities were actively traded
10 on the NYSE. While the exact number of Class members is unknown to Plaintiff at
11 this time and can only be ascertained through appropriate discovery, Plaintiff believes
12 that there are hundreds or thousands of members in the proposed Class. Millions of
13 UTG shares were traded publicly during the Class Period on the NYSE and as of
14 November 1, 2010, UTG had 19,898,235 shares of common stock outstanding.
15 Record owners and other members of the Class may be identified from records
16 maintained by UTG or its transfer agent and may be notified of the pendency of this
17 action by mail, using the form of notice similar to that customarily used in securities
18 class actions.
19
20
21
22

23 52. Plaintiff's claims are typical of the claims of the members of the Class
24 as all members of the Class are similarly affected by Defendants' wrongful conduct
25 in violation of federal law that is complained of herein.
26

1 53. Plaintiff will fairly and adequately protect the interests of the members
2 of the Class and has retained counsel competent and experienced in class and
3 securities litigation.
4

5 54. Common questions of law and fact exist as to all members of the Class
6 and predominate over any questions solely affecting individual members of the Class.
7
8 Among the questions of law and fact common to the Class are:

9 (a) Whether the federal securities laws were violated by Defendants'
10 acts as alleged herein;
11

12 (b) Whether statements made by Defendants to the investing public
13 during the Class Period omitted and/or misrepresented material facts about the
14 business, operations, and prospects of UTG; and
15

16 (c) To what extent the members of the Class have sustained damages
17 and the proper measure of damages.
18

19 55. A class action is superior to all other available methods for the fair and
20 efficient adjudication of this controversy since joinder of all members is
21 impracticable. Furthermore, as the damages suffered by individual Class members
22 may be relatively small, the expense and burden of individual litigation makes it
23 impossible for members of the Class to individually redress the wrongs done to them.
24
25 There will be no difficulty in the management of this action as a class action.
26

1 be made a series of materially false and/or misleading statements about UTG's
2 financial well-being and prospects. These material misstatements and/or omissions
3 had the cause and effect of creating in the market an unrealistically positive
4 assessment of the Company and its financial well-being and prospects, thus causing
5 the Company's securities to be overvalued and artificially inflated at all relevant times.
6
7 Defendants' materially false and/or misleading statements during the Class Period
8 resulted in Plaintiff and other members of the Class purchasing the Company's
9 securities at artificially inflated prices, thus causing the damages complained of
10
11 herein.
12

13 LOSS CAUSATION

14
15 59. Defendants' wrongful conduct, as alleged herein, directly and
16 proximately caused the economic loss suffered by Plaintiff and the Class.

17
18 60. During the Class Period, Plaintiff and the Class purchased UTG's
19 securities at artificially inflated prices and were damaged thereby. The price of the
20 Company's securities significantly declined when the misrepresentations made to the
21 market, and/or the information alleged herein to have been concealed from the market,
22 and/or the effects thereof, were revealed, causing investors's losses.
23
24

25 SCIENTER ALLEGATIONS

1 61. As alleged herein, Defendants acted with scienter in that Defendants
2 knew that the public documents and statements issued or disseminated in the name of
3 the Company were materially false and/or misleading; knew that such statements or
4 documents would be issued or disseminated to the investing public; and knowingly
5 and substantially participated or acquiesced in the issuance or dissemination of such
6 statements or documents as primary violations of the federal securities laws. As set
7 forth elsewhere herein in detail, Defendants, by virtue of their receipt of information
8 reflecting the true facts regarding UTG, his/her control over, and/or receipt and/or
9 modification of UTG's allegedly materially misleading misstatements and/or their
10 associations with the Company which made them privy to confidential proprietary
11 information concerning UTG, participated in the fraudulent scheme alleged herein.
12

13
14
15
16 **APPLICABILITY OF PRESUMPTION OF RELIANCE**
17 **(FRAUD-ON-THE-MARKET DOCTRINE)**

18 62. The market for UTG's securities was open, well-developed and efficient
19 at all relevant times. As a result of the materially false and/or misleading statements
20 and/or failures to disclose, UTG's securities traded at artificially inflated prices during
21 the Class Period. On March 5, 2010, the closing price of the Company's common
22 stock reached a Class Period high of \$10.85 per share. Plaintiff and other members
23 of the Class purchased or otherwise acquired the Company's securities relying upon
24 the integrity of the market price of UTG's securities and market information relating
25
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27

1 to UTG, and have been damaged thereby.

2
3 63. During the Class Period, the artificial inflation of UTG's stock was
4 caused by the material misrepresentations and/or omissions particularized in this
5 Complaint causing the damages sustained by Plaintiff and other members of the Class.
6 As described herein, during the Class Period, Defendants made or caused to be made
7 a series of materially false and/or misleading statements about UTG's business,
8 prospects, and operations. These material misstatements and/or omissions created an
9 unrealistically positive assessment of UTG and its business, operations, and prospects,
10 thus causing the price of the Company's securities to be artificially inflated at all
11 relevant times, and when disclosed, negatively affected the value of the Company
12 stock. Defendants' materially false and/or misleading statements during the Class
13 Period resulted in Plaintiff and other members of the Class purchasing the Company's
14 securities at such artificially inflated prices, and each of them has been damaged as a
15 result.
16
17
18
19

20 64. At all relevant times, the market for UTG's securities was an efficient
21 market for the following reasons, among others:
22

23 (a) UTG stock met the requirements for listing, and was listed and
24 actively traded on the NYSE, a highly efficient and automated market;
25

26 (b) As a regulated issuer, UTG filed periodic public reports with the
27

1 SEC and the NYSE;

2 (c) UTG regularly communicated with public investors *via*
3 established market communication mechanisms, including through regular
4 dissemination of press releases on the national circuits of major newswire services and
5 through other wide-ranging public disclosures, such as communications with the
6 financial press and other similar reporting services; and
7

8 (d) UTG was followed by securities analysts employed by major
9 brokerage firms who wrote reports about the Company, and these reports were
10 distributed to the sales force and certain customers of their respective brokerage firms.
11 Each of these reports was publicly available and entered the public marketplace.
12

13 65. As a result of the foregoing, the market for UTG's securities promptly
14 digested current information regarding UTG from all publicly available sources and
15 reflected such information in UTG's stock price. Under these circumstances, all
16 purchasers of UTG's securities during the Class Period suffered similar injury through
17 their purchase of UTG's securities at artificially inflated prices and a presumption of
18 reliance applies.
19

20
21
22
23 **NO SAFE HARBOR**

24 66. The statutory safe harbor provided for forward-looking statements under
25 certain circumstances does not apply to any of the allegedly false statements pleaded
26

1 in this Complaint. The statements alleged to be false and misleading herein all relate
2 to then-existing facts and conditions. In addition, to the extent certain of the
3 statements alleged to be false may be characterized as forward looking, they were not
4 identified as "forward-looking statements" when made and there were no meaningful
5 cautionary statements identifying important factors that could cause actual results to
6 differ materially from those in the purportedly forward-looking statements. In the
7 alternative, to the extent that the statutory safe harbor is determined to apply to any
8 forward-looking statements pleaded herein, Defendants are liable for those false
9 forward-looking statements because at the time each of those forward-looking
10 statements was made, the speaker had actual knowledge that the forward-looking
11 statement was materially false or misleading, and/or the forward-looking statement
12 was authorized or approved by an executive officer of UTG who knew that the
13 statement was false when made.
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18

19 **FIRST CLAIM**
20 **Violation of Section 10(b) of**
21 **The Exchange Act and Rule 10b-5**
22 **Promulgated Thereunder Against All Defendants**

23 67. Plaintiff repeats and realleges each and every allegation contained above
24 as if fully set forth herein.

25 68. During the Class Period, Defendants carried out a plan, scheme and
26 course of conduct which was intended to and, throughout the Class Period, did: (i)
27

1 deceive the investing public, including Plaintiff and other Class members, as alleged
2 herein; and (ii) cause Plaintiff and other members of the Class to purchase UTG's
3 securities at artificially inflated prices. In furtherance of this unlawful scheme, plan
4 and course of conduct, defendants, and each of them, took the actions set forth herein.
5

6 69. Defendants: (i) employed devices, schemes, and artifices to defraud; (ii)
7 made untrue statements of material fact and/or omitted to state material facts
8 necessary to make the statements not misleading; and (iii) engaged in acts, practices,
9 and a course of business which operated as a fraud and deceit upon the purchasers of
10 the Company's securities in an effort to maintain artificially high market prices for
11 UTG's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5.
12 All Defendants are sued either as primary participants in the wrongful and illegal
13 conduct charged herein or as controlling persons as alleged below.
14

15 70. Defendants, individually and in concert, directly and indirectly, by the
16 use, means or instrumentalities of interstate commerce and/or of the mails, engaged
17 and participated in a continuous course of conduct to conceal adverse material
18 information about UTG's financial well-being and prospects, as specified herein.
19

20 71. These defendants employed devices, schemes and artifices to defraud,
21 while in possession of material adverse non-public information and engaged in acts,
22 practices, and a course of conduct as alleged herein in an effort to assure investors of
23

1 UTG's value and performance and continued substantial growth, which included the
2 making of, or the participation in the making of, untrue statements of material facts
3 and/or omitting to state material facts necessary in order to make the statements made
4 about UTG and its business operations and future prospects in light of the
5 circumstances under which they were made, not misleading, as set forth more
6 particularly herein, and engaged in transactions, practices and a course of business
7 which operated as a fraud and deceit upon the purchasers of the Company's securities
8 during the Class Period.
9
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12 72. Each of the Individual Defendants' primary liability, and controlling
13 person liability, arises from the following facts: (i) the Individual Defendants were
14 high-level executives and/or directors at the Company during the Class Period and
15 members of the Company's management team or had control thereof; (ii) each of these
16 defendants, by virtue of their responsibilities and activities as a senior officer and/or
17 director of the Company, was privy to and participated in the creation, development
18 and reporting of the Company's internal budgets, plans, projections and/or reports; (iii)
19 each of these defendants enjoyed significant personal contact and familiarity with the
20 other defendants and was advised of, and had access to, other members of the
21 Company's management team, internal reports and other data and information about
22 the Company's finances, operations, and sales at all relevant times; and (iv) each of
23
24
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26

1 these defendants was aware of the Company's dissemination of information to the
2 investing public which they knew and/or recklessly disregarded was materially false
3 and misleading.
4

5 73. The Defendants had actual knowledge of the misrepresentations and/or
6 omissions of material facts set forth herein, or acted with reckless disregard for the
7 truth in that they failed to ascertain and to disclose such facts, even though such facts
8 were available to them. Such Defendants' material misrepresentations and/or
9 omissions were done knowingly or recklessly and for the purpose and effect of
10 concealing UTG's financial well-being and prospects from the investing public and
11 supporting the artificially inflated price of its securities. As demonstrated by
12 Defendants' overstatements and/or misstatements of the Company's business,
13 operations, financial well-being, and prospects throughout the Class Period,
14 Defendants, if they did not have actual knowledge of the misrepresentations and/or
15 omissions alleged, were reckless in failing to obtain such knowledge by deliberately
16 refraining from taking those steps necessary to discover whether those statements
17 were false or misleading.
18
19
20
21
22

23 74. As a result of the dissemination of the materially false and/or misleading
24 information and/or failure to disclose material facts, as set forth above, the market
25 price of UTG's securities was artificially inflated during the Class Period. In
26

1 ignorance of the fact that market prices of the Company's securities were artificially
2 inflated, and relying directly or indirectly on the false and misleading statements made
3 by Defendants, or upon the integrity of the market in which the securities trades,
4 and/or in the absence of material adverse information that was known to or recklessly
5 disregarded by Defendants, but not disclosed in public statements by Defendants
6 during the Class Period, Plaintiff and the other members of the Class acquired UTG's
7 securities during the Class Period at artificially high prices and were damaged thereby.

8
9
10
11 75. At the time of said misrepresentations and/or omissions, Plaintiff and
12 other members of the Class were ignorant of their falsity, and believed them to be true.
13 Had Plaintiff and the other members of the Class and the marketplace known the truth
14 regarding the problems that UTG was experiencing, which were not disclosed by
15 Defendants, Plaintiff and other members of the Class would not have purchased or
16 otherwise acquired their UTG securities, or, if they had acquired such securities
17 during the Class Period, they would not have done so at the artificially inflated prices
18 which they paid.

19
20
21
22 76. By virtue of the foregoing, Defendants have violated Section 10(b) of
23 the Exchange Act and Rule 10b-5 promulgated thereunder.

24
25 77. As a direct and proximate result of Defendants' wrongful conduct,
26 Plaintiff and the other members of the Class suffered damages in connection with their

1 respective purchases and sales of the Company's securities during the Class Period.

2
3 **SECOND CLAIM**
4 **Violation of Section 20(a) of**
5 **The Exchange Act Against the Individual Defendants**

6 78. Plaintiff repeats and realleges each and every allegation contained above
7 as if fully set forth herein.

8 79. The Individual Defendants acted as controlling persons of UTG within
9 the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their
10 high-level positions, and their ownership and contractual rights, participation in and/or
11 awareness of the Company's operations and/or intimate knowledge of the false
12 financial statements filed by the Company with the SEC and disseminated to the
13 investing public, the Individual Defendants had the power to influence and control and
14 did influence and control, directly or indirectly, the decision-making of the Company,
15 including the content and dissemination of the various statements which Plaintiff
16 contends are false and misleading. The Individual Defendants were provided with or
17 had unlimited access to copies of the Company's reports, press releases, public filings
18 and other statements alleged by Plaintiff to be misleading prior to and/or shortly after
19 these statements were issued and had the ability to prevent the issuance of the
20 statements or cause the statements to be corrected.

21 80. In particular, each of these Defendants had direct and supervisory
22

1 involvement in the day-to-day operations of the Company and, therefore, is presumed
2 to have had the power to control or influence the particular transactions giving rise to
3 the securities violations as alleged herein, and exercised the same.
4

5 81. As set forth above, UTG and the Individual Defendants each violated
6 Section 10(b) and Rule 10b-5 by their acts and/or omissions as alleged in this
7 Complaint. By virtue of their positions as controlling persons, the Individual
8 Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and
9 proximate result of Defendants' wrongful conduct, Plaintiff and other members of the
10 Class suffered damages in connection with their purchases of the Company's securities
11 during the Class Period.
12
13
14

15 **PRAYER FOR RELIEF**

16 WHEREFORE, Plaintiff prays for relief and judgment, as follows:

17 (a) Determining that this action is a proper class action under Rule 23 of the
18 Federal Rules of Civil Procedure;
19

20 (b) Awarding compensatory damages in favor of Plaintiff and the other Class
21 members against all defendants, jointly and severally, for all damages sustained as a
22 result of Defendants' wrongdoing, in an amount to be proven at trial, including interest
23 thereon;
24

25 (c) Awarding Plaintiff and the Class their reasonable costs and expenses
26

1 incurred in this action, including counsel fees and expert fees; and

2 (d) Such other and further relief as the Court may deem just and proper.

3
4 **JURY TRIAL DEMANDED**

5 Plaintiff hereby demands a trial by jury.

6 DATED: April 25, 2011

GLANCY BINKOW & GOLDBERG LLP

8
9 By: 

Lionel Z. Glancy

Michael Goldberg

Robert V. Prongay

1801 Avenue of the Stars, Suite 311

Los Angeles, California 90067

Telephone: (310) 201-9150

Facsimile: (310) 201-9160

15
16 **LAW OFFICES OF HOWARD G. SMITH**

Howard G. Smith

3070 Bristol Pike, Suite 112

Bensalem, PA 19020

Telephone: (215) 638-4847

Facsimile: (215) 638-4867

20 *Attorneys for Plaintiff Wei Kuang Yen*

SWORN CERTIFICATION OF PLAINTIFF

Universal Travel Group, SECURITIES LITIGATION

I, Wei Kuang Yen, certify that:

1. I have reviewed the complaint and authorized its filing.
2. I did not purchase Universal Travel Group, the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action arising under this title.
3. I am willing to serve as a representative party on behalf of a class and will testify at deposition and trial, if necessary.
4. My transactions in Universal Travel Group during the class period set forth in the Complaint are as follows:

I bought 860 shares on 03/09/11 / / at \$ 5.8116 per share.

I bought _____ shares on _____ / / at \$ _____ per share.

I bought _____ shares on _____ / / at \$ _____ per share.

I bought _____ shares on _____ / / at \$ _____ per share.

I bought _____ shares on _____ / / at \$ _____ per share.

I sold _____ shares on _____ / / at \$ _____ per share.

I sold _____ shares on _____ / / at \$ _____ per share.

I sold _____ shares on _____ / / at \$ _____ per share.

I sold _____ shares on _____ / / at \$ _____ per share.

I sold _____ shares on _____ / / at \$ _____ per share.

(List Additional Transactions on a Separate Page if Necessary)

5. I have not served as a representative party on behalf of a class under this title during the last three years except as stated:
6. I will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court including the award to a representative plaintiff of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

☐ Check here if you are a current employee or former employee of the defendant Company.

I declare under penalty of perjury that the foregoing are true and correct statements.

Dated: 4/20/2011


(Please Sign Your Name Above)

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge Otis D. Wright II and the assigned discovery Magistrate Judge is Fernando M. Olguin.

The case number on all documents filed with the Court should read as follows:

CV11- 3537 ODW (FMOx)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge

=====

NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

Subsequent documents must be filed at the following location:

☒ **Western Division**
312 N. Spring St., Rm. G-8
Los Angeles, CA 90012

☐ **Southern Division**
411 West Fourth St., Rm. 1-053
Santa Ana, CA 92701-4516

☐ **Eastern Division**
3470 Twelfth St., Rm. 134
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.

Name & Address:

Michael Goldberg (#188669)
 GLANCY BINKOW & GOLDBERG LLP
 1801 Avenue of the Stars, Suite 311
 Los Angeles, CA 90067
 Telephone: (310) 201-9150

UNITED STATES DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA

WEI KUANG YEN, Individually and on Behalf of All
 Others Similarly Situated,

PLAINTIFF(S)

v.

UNIVERSAL TRAVEL GROUP, JIANGPING
 JIANG, YIZHAO ZHANG, and JING XIE,

DEFENDANT(S).

CASE NUMBER

CV11-03537 ODW(FMOX)

SUMMONS

TO: DEFENDANT(S): THE ABOVE-NAMED DEFENDANTS

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff an answer to the attached ☒ complaint ☐ amended complaint ☐ counterclaim ☐ cross-claim or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff's attorney, Michael Goldberg, whose address is 1801 Avenue of the Stars, Suite 311, Los Angeles, CA 90067. If you fail to do so, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

APR 25 2011

Dated: _____

Clerk, U.S. District Court

By: _____

Deputy Clerk

(Seal of the Court)

[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3)].

Name & Address:

Michael Goldberg (#188669)
 GLANCY BINKOW & GOLDBERG LLP
 1801 Avenue of the Stars, Suite 311
 Los Angeles, CA 90067
 Telephone: (310) 201-9150

UNITED STATES DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA

WEI KUANG YEN, Individually and on Behalf of All
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APR 25 2011

Clerk, U.S. District Court

JULIE PRADO

SEAL

Dated: _____

By: _____

Deputy Clerk

(Seal of the Court)

[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3)].

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

I (a) PLAINTIFFS (Check box if you are representing yourself <input type="checkbox"/>) WEI KUANG YEN, Individually and on Behalf of All Others Similarly Situated,	DEFENDANTS UNIVERSAL TRAVEL GROUP, JIANGPING JIANG, YIZHAO ZHANG, and JING XIE
(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.) Michael Goldberg (#188669) Glancy Binkow & Goldberg LLP 1801 Avenue of the Stars, Suite 311, Los Angeles, CA 90067, T. (310) 201-9150	Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an X in one box only.) <input type="checkbox"/> 1 U.S. Government Plaintiff <input checked="" type="checkbox"/> 3 Federal Question (U.S. Government Not a Party) <input type="checkbox"/> 2 U.S. Government Defendant <input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)	III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant.) <table style="width:100%; border: none;"> <tr> <td style="width:30%;"></td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> <td style="width:40%;"></td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> </tr> <tr> <td>Citizen of This State</td> <td align="center"><input type="checkbox"/> 1</td> <td align="center"><input type="checkbox"/> 1</td> <td>Incorporated or Principal Place of Business in this State</td> <td align="center"><input type="checkbox"/> 4</td> <td align="center"><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td align="center"><input type="checkbox"/> 2</td> <td align="center"><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business in Another State</td> <td align="center"><input type="checkbox"/> 5</td> <td align="center"><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td align="center"><input type="checkbox"/> 3</td> <td align="center"><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td align="center"><input type="checkbox"/> 6</td> <td align="center"><input type="checkbox"/> 6</td> </tr> </table>		PTF	DEF		PTF	DEF	Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business in this State	<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
	PTF	DEF		PTF	DEF																				
Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business in this State	<input type="checkbox"/> 4	<input type="checkbox"/> 4																				
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5																				
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6																				

IV. ORIGIN (Place an X in one box only.)

☒ 1 Original Proceeding
 ☐ 2 Removed from State Court
 ☐ 3 Remanded from Appellate Court
 ☐ 4 Reinstated or Reopened
 ☐ 5 Transferred from another district (specify):
 ☐ 6 Multi-District Litigation
 ☐ 7 Appeal to District Judge from Magistrate Judge

V. REQUESTED IN COMPLAINT: JURY DEMAND: ☒ Yes ☐ No (Check 'Yes' only if demanded in complaint.)

CLASS ACTION under F.R.C.P. 23: ☒ Yes ☐ No **MONEY DEMANDED IN COMPLAINT:** \$ to be proved

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)
 Violation of Sections 10(b) and 20(a) of the Securities Exchange Act and Violation of SEC Rule 10b-5

VII. NATURE OF SUIT (Place an X in one box only.)

OTHER STATUTES <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Act <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Info. Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes	CONTRACT <input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	TORTS PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Fed. Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury-Med Malpractice <input type="checkbox"/> 365 Personal Injury-Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus-Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	TORTS PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability BANKRUPTCY <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 American with Disabilities - Employment <input type="checkbox"/> 446 American with Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus/Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition FORFEITURE / PENALTY <input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS-Third Party 26 USC 7609
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CV11-03537

FOR OFFICE USE ONLY: Case Number: _____

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

VIII(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? ☒ No ☐ Yes
 If yes, list case number(s): _____

VIII(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? ☒ No ☐ Yes
 If yes, list case number(s): _____

Civil cases are deemed related if a previously filed case and the present case:

- (Check all boxes that apply) ☐ A. Arise from the same or closely related transactions, happenings, or events; or
☐ B. Call for determination of the same or substantially related or similar questions of law and fact; or
☐ C. For other reasons would entail substantial duplication of labor if heard by different judges; or
☐ D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: (When completing the following information, use an additional sheet if necessary.)

- (a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named plaintiff resides.
☐ Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
	Houston, TX

- (b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named defendant resides.
☐ Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
	People's Republic of China

- (c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** claim arose.
Note: In land condemnation cases, use the location of the tract of land involved.

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles County, CA	

* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER):  Date April 25, 2011

Notice to Counsel/Parties: The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))